

Legislative Assembly

Wednesday, 29 November, 1978

Petitions—Questions without Notice—Standing Orders—Motor Dealers (Amendment) Bill (third reading)—Irrigation (Amendment) Bill (third reading)—Water (Amendment) Bill (third reading)—Representatives of Legislative Assembly on University Councils—Cognate Chiropractic Bills (Int.)—National Parks and Wildlife (Adjustment of Areas) Bill (No. 2) (Int.)—Cognate Frustrated Contracts Bills (second reading)—Cognate Auctioneers and Agents Bills (second reading)—Pay-roll Tax (Amendment) Bill (second reading)—Bills Returned—Unauthorised Documents (Amendment) Bill (second reading)—Prickly-pear (Amendment) Bill (second reading)—Cognate Soil Conservation Bills (second reading)—Public Works (Amendment) Bill (second reading)—Adjournment (Department of Agriculture Staff)—Questions upon Notice.

Mr Speaker (The Hon. Lawrence Borthwick Kelly) took the chair at 2.15 p.m.

Mr Speaker offered the prayer.

PETITIONS

The Clerk announced that the following petitions had been lodged for presentation:

Inquiry on Education

The Petition of concerned citizens including parents of children attending schools in New South Wales respectfully sheweth:

That there is criticism, confusion, and great concern in the community and especially amongst parents about all levels of the present systems, methods and aims of education.

That the majority of the community and especially parents are not aware of the formation of an Education Commission.

That the methods of informing the community and parents have not been satisfactory and the majority is therefore unaware that such a Commission is to be formed.

That there has been insufficient time allowed for the majority to become informed fully of the pros and cons of an Education Commission.

That there should be more information made available to the community and parents on all issues to do with education or the formation of an Education Commission.

Your Petitioners therefore humbly pray that your honourable House:

- (1) Not allow under any circumstances the formation of an Education Commission at this time.

- (2) Take steps to fully inform the public of what an Education Commission is all about and the effects it will or will not have on our children.
- (3) Hold a full open inquiry into education in New South Wales schools, taking steps to fully inform the community and inviting them to make written submissions to the inquiry, as a matter of urgency.
- (4) By holding a full open inquiry eliminate the existing criticism, confusion and concern, and produce a standard of education acceptable to the majority of the community.

And your Petitioners, as in duty bound, will ever pray.

Petitions, lodged by Mr Caterson and Mr West, received.

Child Pornography

The humble petition of the undersigned citizens of Australia, New South Wales, respectfully sheweth:

That we the undersigned, having great concern at the way in which children are now being used in the production of pornography call upon the Government to introduce immediate legislation:

- (1) To prevent the sexual exploitation of children by way of photography for commercial purposes;
- (2) To penalize parents/guardians who knowingly allow their children to be used in the production of such pornographic or obscene material depicting children;
- (3) To make specifically illegal the publication and distribution and sale of such pornographic child-abuse material in any form whatsoever such as magazines, novels, papers, or films;
- (4) To take immediate police action to confiscate and destroy all child pornography in Australia and urgent appropriate legal action against all those involved or profiting from this sordid exploitation of children.

Your Petitioners therefore humbly pray that your honourable House will protect all children and immediately prohibit pornographic child-abuse materials, publications or films.

And your Petitioners, as in duty bound, will ever pray.

Petitions, lodged by Mr Britt, Mr R. J. Clough and Mr McGowan, received.

Electric Omnibuses

The humble petition of the undersigned citizens of New South Wales respectfully sheweth that we, the undersigned, believe—

- (1) That the Townobile electric bus, developed in New South Wales, constitutes a unique local solution to the problems of inner city public transportation.
- (2) That the Townobile electric bus has demonstrated significant advantages over diesel-powered buses on the grounds of economy, environment and efficiency, and has attracted world-wide acclaim.

- (3) That local production and use of Townobile electric buses would generate employment for New South Welshmen, both in their manufacture and in the coal industry, and would reduce our dependence upon increasingly scarce imported petroleum products.
- (4) That use of noiseless, pollution-free Townobile electric buses would contribute substantially to the betterment of life within the City of Sydney.

We accordingly urge the Government to act quickly to ensure that the opportunity for local rather than overseas production of Townobile electric buses is not lost, by placing forthwith an order for production of a trial batch of 10 Townobiles.

Your Petitioners therefore humbly pray that your honourable House will add its voice to the growing support for Townobile electric buses and will encourage the placing of an order for a trial batch of such buses.

And your Petitioners, as in duty bound, will ever pray.

Petitions, lodged by Mr Cameron, Mr Caterson, Mr J. A. Clough and Mr Smith, received.

Homosexual Demonstrators

The Petition of the undersigned citizens of Australia, New South Wales, respectfully sheweth:

That we protest the police actions in arresting fifty-three persons on the night of Saturday, June **24**, and seven more on the following Monday, June **26**. We believe this to be a deliberate attack on the lesbian and male homosexual communities, which are singled out for harassment by the police.

We believe that legal rights have been violated—

- (1) at no time were participants in Saturday night's Gay Solidarity Festival informed that their actions were illegal;
- (2) the defendants were imprisoned on Saturday night for up to eight hours before charges were read;
- (3) incidents outside the court on Monday, June **26**, could have been avoided had the public been given their right to attend the trials.

In our opinion, the actions of the police on Saturday, June 24, were intended to intimidate all lesbians and homosexual men, and are a threat to everyone's democratic rights.

Your Petitioners therefore humbly pray that your honourable House ensure that all charges arising from the arrest of homosexual demonstrators on the nights of June **24** and **26**, **1978**, be dropped unconditionally.

And your Petitioners, as in duty bound, will ever pray.

Petition, lodged by Mr McGowan, received.

Sunday Hotel Trading

The Petition of the undersigned electors in the State of New South Wales respectfully sheweth:

- (1) A referendum on Sunday trading in hotels was held in New South Wales in the year 1969 which showed an overwhelming majority voting against Sunday trading in hotels.
- (2) New South Wales already has an unenviable record of road deaths and maimings on the road, and more facilities for weekend drinking will inevitably add to this disastrous state of **affairs**.

Your Petitioners therefore humbly pray that your honourable House:

- (1) Will not pass any legislation which will allow any extension of Sunday trading in liquor in hotels or any other place where the sale of liquor is permitted.
- (2) If, however, it is intended to submit legislation to the House, this should not be done until the people of New South Wales be given the democratic right of vote by referendum on this important issue.

And your Petitioners, as in duty bound, will ever pray.

Petition, lodged by Mr McGowan, received.

Quality of Education

The humble petition of the undersigned citizens of Australia, New South Wales, respectfully sheweth:

That because there is much concern in the **community** over the failure of modern education at primary and secondary levels to meet the expectations of many parents, teachers, lecturers, professors, employers and students;

That because there is considerable doubt as to the content and standards, philosophy and moral values of new courses or projects, such as M.A.C.O.S. ("Man—A Course of Study"—ex U.S.A.); "People of the Western Desert" (Aust.); and S.E.M.P. ("Social Education Materials Project"—Aust.) and in view of the fact that M.A.C.O.S. and S.E.M.P. have been withdrawn from **Queensland** schools;

Your Petitioners therefore humbly pray that the Parliament of New South Wales will:

- (1) Immediately suspend courses and projects such as "M.A.C.O.S.", "People of the Western Desert" and "S.E.M.P." from all New South Wales primary and secondary schools and teachers' colleges, and conduct an independent public inquiry into their suitability and conformity with the provisions of the New South Wales Education Act.
- (2) Enforce the following guidelines in relation to all text books, courses, projects, et cetera, used in State schools and institutions:
 - (a) They should encourage loyalty and respect for God, Queen and Country, our Federal and State Constitutions and observance of the laws of the land.
 - (b) They should recognize the importance of marriage, family life, motherhood and fatherhood, as well as the privacy of the family and the individual student.

- (c) They should avoid profanity, indecency or any encouragement of racial hatred, antisemitism, sedition or violent revolution against our Australian democratic parliamentary institutions.
 - (d) They should provide for studies in history and geography (rather than sociology) and show the importance of the Judeo-Christian ethic as our natural Australian heritage.
 - (e) They should teach the 3 R's, that is, the skills of reading, writing and arithmetic, so that all children receive an effective basic education for their future responsibilities.
- (3) Implement a system of public preview and approval of all text books, novels, courses and projects with reasonable access for all parents and citizens before they are approved for use in schools in accordance with an approved core curriculum.
- (4) Introduce a more meaningful system of the testing and assessing of educational results so as to provide a more equal opportunity for all students in New South Wales.

And your Petitioners, as in duty bound, will ever pray.

Petition, lodged by Mr McGowan, received.

QUESTIONS WITHOUT NOTICE

SCHOOL CERTIFICATES

Mr MASON: I address a question without notice to the Minister for Education. Is the Minister aware that there is still considerable confusion over the granting of school certificates because of pressure by some employers on young people to leave school before 1st December? Is the Minister aware that some headmasters are allowing children to leave prior to that date so that the children may begin apprenticeships or other jobs and still be granted the school certificate that is necessary for them to commence trade courses, though other headmasters have refused to follow this practice? In the interests of young people throughout the State who are fearful of losing job opportunities but who have headmasters who refuse to issue a school certificate if they leave school early, will the Minister act to protect the rights of any young persons who have suffered by a particular headmaster's arbitrary decision in a case of this nature?

Mr BEDFORD: I am aware that a number of students want to leave school before 1st December. If they leave before that date they are not granted a school certificate. As I informed an honourable member last week on this same subject-matter, the statutory board responsible for the issue of school certificates is the Secondary Schools Board, which is made up of representatives of universities, colleges and schools, both private and government. The board has determined that it will be necessary for children to remain at school until 1st December in order to receive a school certificate. It is wrong to say that any student would leave school before 1st December to begin an apprenticeship: no apprenticeships are granted until the beginning of the next academic year. A number of children may well want to leave school to take up other jobs. That is acknowledged by the Secondary Schools Board.

Mr Mason: No. It is not right——

Mr SPEAKER: Order! The Leader of the Opposition asked the question and he will allow the Minister to answer it.

Mr **BEDFORD**: In accordance with the recommendations made by the statutory board the Director General of Education has issued instructions to the principals of all schools that the final date for children to attend school is 1st December. However, provisions are laid down by the board and conveyed to the principals of schools by the director general that in certain circumstances leave of absence may be granted from the school before 1st December. The principal will exercise his judgment in each individual case with a view to granting leave of absence before 1st December.

It would be difficult to canvass every independent and government high school in New South Wales in an endeavour to ascertain the criteria being applied by each headmaster on the matter of children leaving school before 1st December. The board has to determine the date on which the school certificate will be issued. It would be simple to bring that date forward a week, or even two weeks or three weeks, but some people would be sure to want the school year shortened by a month or two months. I have been advised by a religious brother, who is the principal of a private school, that in July of this year he received applications from two of his pupils to leave school so that they could take up employment and still be issued with the school certificate. The date on which the school certificate may be issued has to be determined, and whether it is 1st December or mid-November is a matter upon which further decisions may have to be made. I assure honourable members that whatever date is fixed, there will always be applications from some pupils wishing to leave school before that date so that they can take up employment. I am sure all honourable members—particularly those on this side of the House—are concerned about the present employment situation.

Mr Mason: Rubbish.

Mr **BEDFORD**: If Opposition members were fair dinkum about this matter, they would have something to say to the Prime Minister, whose policies are ensuring that many school-leavers will be lucky to get any sort of a job. I stand by the decision of the statutory board in this matter. I assure honourable members that when an application is made by parents on behalf of a child who wants to leave school early, it should be, and will be, considered in the light of the evidence put before the school principal.

GOVERNMENT EMPLOYMENT INITIATIVES

Mr **MAHER**: My question without notice is directed to the Premier. Will he inform the House of initiatives the Government is taking to assist pupils leaving school this year to obtain employment or vocational training?

Mr **WRAN**: It is good to be asked a relevant question. I do not have to dwell upon the difficult future that confronts many thousands of young people who will be leaving schools and tertiary education institutions not only in New South Wales but also throughout Australia in the next few weeks. This year approximately 80 000 young people will be leaving school and tertiary institutions in New South Wales and seeking work. The so-called benign Australian federal Government, which is led by the Prime Minister, says that it is absolute nonsense to claim that school-leavers will be thrown on the unemployment scrap-heap. It is expected that by April of next year at least 30 000 of those young school-leavers will have been unable to find employment. I am grateful to the honourable member for Drummoyne, who has shown constant concern with the problems of unemployed people, particularly the young and those of migrant extraction, many of whom are unable to speak the English language and find it particularly difficult to obtain a job.

Today the Government has approved initiatives that will directly assist almost 11 000 young people to find positions by way of employment or in training. These new programmes will cost more than \$17 million in the next twelve months. The Government has decided to continue its involvement in the special youth employment training programme. Already this year the State Government has employed 1 000 school-leavers under that programme. It has been decided that next year 1 500 young people will be offered jobs under this scheme. As part of its programme the Government will employ 1 000 school-leavers. Moreover, it will assist local government in employing another 500 school-leavers. The Government will also seek local government involvement in this scheme to enable more young people to obtain jobs.

The Government intends to appoint on a state-wide basis a director of the proposed special youth employment training programme in order that young people who are given positions in the public service for training periods allotted under the scheme will be assisted to find permanent jobs in either the public service or the private sector. There will be a follow up by the Government at the end of the training period undertaken by these young people.

In yet another initiative the Government decided to boost the number of apprenticeships available to young people. Honourable members will recall that already the Government has created 100 special apprenticeship positions. An additional 200 apprenticeships will be created in the public service and offered to young school-leavers in February. The Government has decided also to establish a pilot programme for youth work co-operatives. This is an exciting new scheme which will cover both the city and the country. Once the co-operatives are formed they will be given State funds and resources to organize part-time and casual work for young people, to provide a wide range of training and skills, and to promote youth involvement in community service projects. In this way young people will be given an opportunity through the co-operatives to help themselves find employment. The Government will continue and will expand the special courses conducted by the Department of Technical and Further Education for unemployed youths.

Mr McDonald: What about councils?

Mr WRAN: The Deputy Leader of the Opposition is better suited to throwing young people out of houses than to finding them employment. I do not think he should treat with levity a subject which is of great concern to hundreds of thousands of people who have children about to leave school many of whom will be out of employment for perhaps five or six months. I repeat: the Government will continue and will expand the special courses conducted by the Department of Technical and Further Education for unemployed youths. In the next few months more than 2 100 young people will be offered full-time pre-apprenticeship, secretarial and business courses. This scheme was established earlier this year and has proved highly successful. I have had prepared, with the involvement of the Minister for Industrial Relations, Minister for Technology and Minister for Energy, a document which sets out in full the various initiatives being taken and to be taken by the Government in relation to school-leavers.

I assure the honourable member for **Drummoyne** that that document will be available to members and to the public this afternoon. The document demonstrates that even though the federal Government has been responsible for leading Australia into an economic mess, and also that Government still has the prime responsibility for job creation, the New South Wales Government is not willing to **stand** by and **allow**—if I may use the expression eschewed by the Prime Minister—thousands of young people to be thrown on to the unemployment scrap-heap.

CATTLE TRADING

Mr BRUXNER: I ask the Minister for Agriculture to recall a question addressed to him about two weeks ago relating to a claim by the Cattlemen's Union of Australia that cattle-buying companies have been operating in collusion and depressing prices in the New England area. On that occasion did the Minister say he had not received any details about these operations from the Cattlemen's Union? Has the Minister now received any such details? If so, will he publish the names of those companies and operators so that cattle breeders and reputable agents in the area might take appropriate action?

Mr DAY: I recall the question referred to by the Deputy Leader of the Country Party. A special committee has been set up to examine this matter. It consists of Sergeant Picker of the stock squad, Mr J. Cohen of the Department of Consumer Affairs and Mr Arthur Knox, Assistant Senior Crown Solicitor. The committee met on 6th November to consider some evidence presented by Mr Cassell.

Mr Wran: He is a former secretary of the Country Party.

Mr DAY: That is right. Mr Cassell appeared at that meeting and undertook to make available further information about the allegations of malpractice. The stock squad was to make some independent investigations. The members of the committee plan to meet again in the near future. I have received a further submission from the Cattlemen's Union on this subject. At this stage it would be premature for me to disclose the text of that submission from Mr Cassell. However, I assure the Deputy Leader of the Country Party and the House that the allegations are being probed and the Government will do everything it possibly can to put an end to any malpractice. The Government is attempting prudently and properly to identify the persons who may be responsible.

INTERNATIONAL YEAR OF THE CHILD

Mr BARNIER: I ask the Minister for Youth and Community Services to inform me of the response and the degree of participation indicated by organizations that have been approached to participate in the activities next year to mark the International Year of the Child.

Mr JACKSON: The year 1979 has been designated the International Year of the Child by the United Nations Organisation. It is pleasing to be able to report to the honourable member for Blacktown and to this Parliament that once again New South Wales under a Labor Government is leading all governments in Australia in promoting a United Nations activity, this time in recognition of the importance of children and their rights.

Five meetings have been held of the ministerial council responsible for the matter. At the council's fifth meeting last Friday the States expressed unanimous concern about the lack of interest shown by the Commonwealth Government in this matter and its lack of funding for the project. The honourable member for Blacktown has made numerous representations to me on behalf of organizations in his electorate that wish to participate in or initiate programmes for this important year. I assure the honourable member that the New South Wales Government will give advice and financial assistance in promoting all such programmes.

Mr Fischer: You can stop now.

Mr JACKSON: I will not stop. The honourable member would be embarrassed if I did. The federal Government, which the Country Party supports, has behaved in an absolutely disgraceful way in respect of this important matter. The federal Government, not the State of New South Wales, represents Australia at the United Nations. This State has no say in the decisions of the United States, whereas the federal Government has. Yet the Commonwealth by its activity, or lack of activity, is avoiding its responsibility in respect of the United Nations programme. Let me tell the honourable member that at the ministerial council meeting on Friday last a Country Party Minister sought the adjournment of the debate on the important agenda item of funding the publicity and promotion of the International Year of the Child throughout Australia. The federal Government accepted responsibility for promoting the year, but it allocated only \$180,000 for promotion throughout the whole country.

When the cost of preparing television and radio programmes and material for the newspapers is taken from that amount, approximately \$40,000 remains for distribution among all the States for the whole year. That is a disgrace, because that amount would pay only for publicity in Tasmania for one week. That gives some idea of how much money is needed for the whole of Australia for the full year. The States will no longer pick up the tab to fill the vacuum created by the Commonwealth Government's lack of funding. I was delighted by the attitude of the Governments of Victoria, Western Australia and Queensland, which along with New South Wales, were unanimous that a demand be made on the Commonwealth Government to put its money where its mouth is. Its representatives have a lot to say and dominate the scene, but when it comes to allocating funds to carry out the programme they are missing, as they were last Friday. That meeting has been adjourned until next Friday week, when all States will be demanding that the federal Government provide a proper promotional programme for the International Year of the Child.

The Government has already made available half a million dollars in recognition of the importance of this year and to make sure that every family and every child, irrespective of their location, will have the opportunity to participate in programmes that have been arranged for the year. I thank the honourable member for his interest. He may be assured that all recognized organizations and individuals who wish to participate in programmes arranged throughout the year will receive proper consideration from my department.

TOONGABBIE CREEK BRIDGE

Mr CATERSON: I address my question without notice to the Minister for Conservation and Minister for Water Resources. Did the Minister undertake more than five months ago to meet a deputation from the Oakes Road bridge committee regarding alleviating the flood problem on Toongabbie Creek as soon as he received a report from officers investigating the Parramatta River basin proposals, which he said he expected to receive in three weeks time—that is, over four months ago? What amount of money did the Minister seek in his submission for allocation of water resources money for the Parramatta River basin flood mitigation scheme for the current year? What priority did the Minister give to this project in his submission? Has the Minister received the report about which he wrote over five months ago? When is he proposing to meet the deputation?

Mr GORDON: I have received numerous requests to meet a deputation. I understand my colleague the Minister for Transport has met a deputation from regional councils and that the representatives received some satisfaction from that deputation. The honourable member mentioned federal funding and the priority lists. The State submitted priority lists to the federal Government, in relation to not only water

resources but also for public works and water boards that applied for money to be allocated under the national water resources programme. The Prime Minister indicated that he intended to allocate \$200 million to the States—that statement being followed, in very small letters, by the words "over five years". This year the States received a little over \$23 million, about a third of which went to Adelaide for a continuing water supply. New South Wales received approximately \$1 million for a priority list that was submitted in respect of forty-six items. The list was returned by the federal Government with a request that our priorities be clearly indicated. I attended a meeting in Canberra when the federal Minister asked New South Wales to number its list of priorities from 1 to 45. It would be futile to spend a couple of million dollars on forty-five or forty-six projects, so a list was submitted containing about fifteen items, twelve of which were current programmes or those about to be commenced by the Government from its own resources.

From memory the Parramatta basin was about eighth or ninth on that list. It is all very well for Mr Newman to say all we have to do is put it on the list and the federal Government will make the money available. We have been applying continually for assistance from the Commonwealth on such projects at Cudal dam, Windamere dam and Split Rock dam, and all the applications have been knocked back. In the past ten years the only dam project that has been given federal assistance is Copeton dam. The federal Government has made it quite clear that it will not make money available to the States for these projects.

It is true that a deputation went to the Minister for Transport who agreed that he would co-operate with the councils to provide, I believe, three bridges which would remove the danger points in the areas in which people were being drowned. I understand the suggested plan includes twenty-one retaining basins. This plan, which was developed by the Snowy Mountains Corporation, is now being considered further by the Water Resources Commission at its instigation because the details were not finalized. I have given an undertaking—and if my secretary has not communicated it to the councils concerned within the past couple of days he will do so shortly—that the deputation will be arranged within the next week or two.

PARRAMATTA RIVER

Mr MCILWAINE: I address a question without notice to the Minister for Conservation and Minister for Water Resources. Is he aware of the present condition of the Parramatta River? Are fish returning to this river? What steps are being taken to ensure that the amateur angler can enjoy this great Australian sport?

Mr GORDON: In answer to the honourable member for Yaralla, it is pleasing to note that at last Yaralla has a member who is taking some notice of the Parramatta River. The return of fish to the Parramatta River is indicative of the success of the action being taken by the Government to deal with the pollution problem. It would appear that fish populations are continuing to return to the Parramatta River in increasing numbers. This is based on the fact that an increasing number of amateur fishermen operating on the river are catching such species as bream, flathead and blackfish, and mudcrabs and blue swimmer crabs.

[Interruption]

Mr SPEAKER: Order! There is far too much interjection from the Opposition side and too much reaction from the Government benches. The Minister is entitled to be heard in silence when answering a question.

Mr GORDON: Some fishermen are making catches of up to six to twelve bream and half a dozen flathead at each outing. Unfortunately, it is difficult to quantify the increase in fish numbers because of the lack of scientific information on the abundance of fish in the river prior to the study commenced by the State Fisheries about six years ago. This study is still continuing.

The effective implementation of the Clean Waters Act and policies by the State Pollution Control Commission, resulting in the improvement of the water quality of the Parramatta River, has been the major factor in the apparent increase in fish populations. During the implementation of these policies New South Wales State Fisheries have co-operated with the State Pollution Control Commission. Netting of that section of the Parramatta River between Gladesville Bridge and Silverwater Bridge is closed from 1st May to 31st August each year. The prawn trawl closure operates from 1st April until 31st October. As a concession, the Parramatta River and Sydney Harbour are open to prawn trawling during April and May if there are sufficient quantities of prawns. Lane Cove River is closed to all trawl fishing.

APPRENTICESHIP SUPERVISORS

Mr PARK: My question without notice is directed to the Minister for Industrial Relations, Minister for Technology and Minister for Energy. Is it a fact that in December 1977 the Minister advised me that a decision in principle had been made to locate three apprenticeship supervisors in selected country areas? Is it a fact, also, that four of the twenty apprenticeship supervisors located in Sydney service country areas, involving time and additional expense in travelling? Will the Minister consider transferring three of these supervisors to country centres in the interests of economy and efficiency? Will the Minister give consideration to Tamworth as one of these centres?

Mr HILLS: It is a fact that three apprenticeship supervisors operate in country areas of the State and twenty full-time supervisors operate out of Sydney. I am sure that all honourable members will agree that it is essential that country areas be serviced adequately by supervisors so as to encourage apprentices and to supervise their apprenticeship training by employers. Their services should be available to apprentices and their employers throughout the country. There are difficulties in recruiting full-time apprentice supervisors who are willing to take up residency in some country centres. We have been giving consideration to the appointment of an additional supervisor in the northwest area of New South Wales. The honourable member for Armidale has already approached me about this matter. I shall give serious consideration to the question raised, bearing in mind some of the difficulties of establishing offices of this type.

RATE INCREASES

Mr WEBSTER: I direct my question without notice to the Minister for Local Government and Minister for Roads. Following the tabling in Parliament last week of the report of the committee of advice to determine the limitations of councils' rate increases and the subsequent announcement that general purpose rate increases by councils would be pegged at a maximum of 8 per cent in 1979, will the Minister advise the House what the situation will be in 1979 regarding the pegging of minimum rates?

Mr JENSEN: I thank the honourable member for Wakehurst for bringing before the House an important matter which is indicative of the intense interest that he takes in the welfare of his constituents who are ratepayers. His concern is shared

by the Wran Government which has taken action to halt the rates spiral and to contain rate increases despite spirited cries of, "It won't work" from the Opposition each time the question of the pegging of rates is discussed. Under the Liberal-Country party Government rate increases in New South Wales were gigantic—much higher than they were in other parts of Australia—but the Wran Government's rate-pegging legislation has proved extremely popular with the public. It has helped to create a new level of stability in local government rating. The Liberal and Country parties' continual opposition to rate pegging has helped to keep them on the opposite side of the Chamber and make their members so scarce that they could probably be regarded as an endangered species.

The honourable member for Wakehurst has asked about the effects of the announcement that was made last week about minimum rates for 1979. Since 1948 councils have had the power to determine the amount to be levied by way of minimum assessments in respect of any rates. In 1977 certain rates levied by a council were declared by the Supreme Court to be invalid because of the proportion of the income of the rate derived from the levy of minimum rates. Last year, to meet the criticism of the court and to provide a framework upon which councils could formulate their rate structure, section 126 of the Local Government Act was amended to provide that in the case of a general rate the minimum amount should be an amount determined by the council, not exceeding \$100 or such greater amount as may be prescribed, or such greater amount as the Minister might approve in respect of a particular council. In the case of other rates, not being rates levied in respect of water supply, sewerage or trading undertakings—for which no minimum was specified—councils could not levy a minimum rate greater than \$2.

No action is proposed to prescribe a figure in excess of \$100 to apply generally as the upper limit of general rate **minimums**. The maximum amount that may be levied in respect of other general purpose rates is fixed by statute to discourage a council from levying a multiplicity of local and special rates, thus circumventing the general intention of restricting the minimum general rate to \$100.

Provision is made for a council that considers special circumstances exist in its area which would justify a higher minimum general rate than \$100 to seek the Minister's approval to a higher minimum. Any such determination applies only for one year and councils that receive a special approval in 1978 must submit a case if they again wish to exceed \$100 in any subsequent year. It will be necessary for those councils and other councils seeking to levy a minimum in excess of \$100 to set out fully their justification. The task of establishing the justification for a maximum general rate in excess of \$100 is not impossible but it is certainly not easy, and most people who gained an advantage from the Government's legislation in 1977 will have a reasonable expectation that they will enjoy the same protection in 1979.

ARMED HOLDUPS

Mr BARRACLOUGH: I ask the Premier whether, in view of his response to my urgent request in this House last week that he provide the New South Wales police force with a helicopter, he will now respond to a request that is three or four months old from the armed holdup squad for at least one surveillance vehicle of its own. Will the Premier advise me and this House whether he intends to supply the armed holdup squad with additional high-powered vehicles that are urgently needed to cope with the alarming increase in armed robberies in New South Wales which have reached 626, 106 having involved banks?

Mr WRAN: I did not at any time respond to any request by the honourable member in relation to a helicopter. Indeed, in the Budget that was introduced in this House by the Treasurer in August money was allocated for the purchase of a helicopter by the Police Department. Without reflecting in any way on the wisdom of that department, I point out that the delay in the purchase of the helicopter was caused by the coming into operation of a number of new types of helicopters later this year and early next year; the Police Department considered that the purchase of a helicopter should be delayed pending their arrival on the market.

However, in response to the situation that has developed the Government has made available to the Police Department a helicopter from those that are currently available to other government departments. The Police Department, in the normal course of events and at its own behest and without any assistance from the member for Bligh who has tried to get on the bandwaggon, will be tendering for a helicopter in the next few weeks and will have the helicopter available to it.

In relation to the provision of vehicles for the armed holdup squad, it is absolute nonsense for the honourable member for Bligh to endeavour to get some cheap headlines in Parliament by the tenor of his question and its substance. He endeavoured to suggest that there is a shortage of motor vehicles for use by the armed holdup squad. Last Monday I saw the gentlemen in charge of the armed holdup squad and they were quite laudatory in their remarks on the reconstitution of the squad, its placement under the direction of a police inspector, and the facilities, assistance and support that have been given to it by this Government—something that was lacking in previous years.

INTERNATIONAL YEAR OF THE CHILD

Mr SHEAHAN: I direct a question without notice to the Minister for Youth and Community Services, in view of the answer given by the Minister to an earlier question today asked by the honourable member for Blacktown. Has a special secretariat been established in Sydney to co-ordinate the celebrations planned throughout the State to mark 1979 as International Year of the Child? Have local IYC committees such as those recently established in Cootamundra and Tumut been invited to call at the secretariat or telephone it on various hotlines for assistance with their activities for 1979? Will the Minister direct officers of the secretariat to make a series of country visits to facilitate liaison with local committees, with a minimum of cost and inconvenience to the local people involved?

Mr JACKSON: It is a fact that immediately New South Wales accepted responsibility for International Year of the Child it established a secretariat. In recognition of the importance of the year the deputy director of my department, Mr McAulay, was appointed as the chairman of the secretariat. The executive director of the Family and Children's Services Agency, Mrs Gorman, was appointed as secretary. The committee now has a special hot line to provide information to various community-based organizations that have indicated their willingness to co-operate. They are seeking financial assistance and advice in regard to promoting a suitable programme.

I shall arrange for officers of the secretariat to visit the country areas of the State in order that all activities can be co-ordinated and so that all information will be made available to the various regions. I thank the honourable member for Burrinjuck for the part he has played in cultivating so much enthusiasm within the community organizations in his electorate. Those organizations have come to the forefront in this important year. The secretariat will be available to do the things I have mentioned for the country areas of New South Wales. The non-government organizations will also be provided with special services by the secretariat. The format of that assistance is now being finalized.

MEAT INDUSTRY AUTHORITY

Mr MURRAY: I address a question without notice to the Minister for Agriculture. Has the Minister instructed the newly elected Meat Industry Authority of New South Wales that it must finance its operations by **trading** on the market? Has the Minister severely limited staff and finance to this organization? Who will be responsible for underwriting any losses that may arise as a result of trading by the authority?

Mr DAY: It is rather remarkable that the authority has scarcely got off the ground before it is being denigrated by members of the Opposition. This new initiative has been taken by the Government after its predecessors in office absolutely ignored all the submissions made by a select committee of this Parliament that inquired into the problems of the meat industry. The Government has come to grips with the matter. I am confident—even if the honourable member for **Barwon** and his Country Party colleagues are not—that the new Meat Industry Authority will fulfill a great need, to reform the marketing of meat and set the pace for it throughout the Commonwealth of Australia.

The finance that will be required by the Meat Industry Authority in the initial stages is at present under examination. I have given no instructions to the authority in relation to the matter but it is confidently expected that its trading activities will run at a profit. Certainly, the staff levels needed to accomplish that end will be afforded to the authority. I cannot understand why the honourable member for **Barwon** should be so critical. After all, the authority was established on only the first day of this month. I am absolutely certain that the authority will, within a short time, overcome the problems caused by the inertia and disinterest of the honourable member's colleagues when, unfortunately, they occupied the Treasury benches.

 STANDING ORDERS

Motion (by Mr Walker) agreed to:

That this House agrees to and adopts the following new standing order—

248A. (1) Whenever a Minister shall have intimated verbally to the House and in writing handed to the Clerk that bills specified by the Minister are cognate bills:

- (a) such bills may be introduced upon one motion for leave and presented and read a first time together;
- (b) one motion may be moved and one question put in regard to, respectively, the second reading, the Committee's report stage and the third reading of such bills together;
- (c) **such** bills may be considered in one Committee of the Whole.

(2) Should cognate bills be amended in the Legislative Council the consideration of such amendments may be in one Committee of the Whole.

MOTOR DEALERS (AMENDMENT) BILL

Third Reading

Bill read a third time, on motion by Mr **Einfeld**.

IRRIGATION (AMENDMENT) BILL

Third Reading

Bill read a third time, on motion by Mr Walker on behalf of Mr Gordon.

WATER (AMENDMENT) BILL

Third Reading

Bill read a third time, on motion by Mr Walker on behalf of Mr Gordon.

REPRESENTATIVE OF THE LEGISLATIVE ASSEMBLY ON THE SENATE OF
THE UNIVERSITY OF SYDNEY

Mr BEDFORD (Fairfield), Minister for Education [3.10]: I move:

That Rodney Mark Cavalier, B.A.(Hons.), Member for Fuller, be elected a Fellow of the Senate of the University of Sydney in pursuance of section 7 of the University and University Colleges Act, 1900.

The Act provides that one of the parliamentary Fellows of the Senate of the University of Sydney shall be a member of the Legislative Assembly elected by that Assembly as soon as practicable after each general election of members of the Assembly. The honourable member for Fuller is an honours graduate of the University of Sydney with a major in government. His interests outside Parliament are diverse and they extend to local government, trade unionism and the arts. I am confident that the honourable member will make a positive contribution to the deliberations of the Senate of the University of Sydney and I am pleased to move his election.

Motion agreed to.

REPRESENTATIVE OF THE LEGISLATIVE ASSEMBLY ON THE
COUNCIL OF THE UNIVERSITY OF NEW ENGLAND

Mr BEDFORD (Fairfield), Minister for Education [3.11]: I move:

That William John Patrick McCarthy, Member for Armidale, be elected a member of the Council of the University of New England, in pursuance of section 10 (2) (b) of the University of New England Act, 1953.

The Act provides that one of the parliamentary members of the Council of the University of New England shall be a member of the Legislative Assembly elected by that Assembly after each general election of members of the Assembly. The honourable member for Armidale has a distinguished record of service to the people of Armidale and surrounding areas which makes him a most suitable candidate for this position. He has been active in community organizations, including the United Farmers and Woolgrowers' Association, the Crown Land Leaseholders' Association, the Returned Servicemen's League and Legacy. Prior to his election to Parliament he was a field officer attached to the department of continuing education at the University of New England. I am sure the honourable member's appointment to the university council will greatly benefit the university, and accordingly I am pleased to move for his election.

Mr DUNCAN (Lismore) [3.12]: I certainly do not oppose the election of the honourable member for Armidale to the Council of the University of New England. The Opposition welcomes the fact that the honourable member representing that constituency is to be elected to the position. I wish to place on record my personal view on this subject. If a university is situated within a particular constituency, any government should ensure that the member representing the area should serve on the council of that university if he is willing to do so. On 24th November, 1976, the former member for Armidale, Dr David Leitch, was removed from his position as a member of the Council of the University of New England. The university is probably the pride and joy of that electorate. If the sitting member is willing to serve on the council of that university, he should be elected to that position. Political questions should be put aside when making these important appointments. I am not making derogatory remarks about the Minister or the honourable member for Gosford who served so capably on the Council of the University of New England. There are plenty of precedents by former governments to deprive a member, because of his political affiliations, of the opportunity to serve on the council of a university within his constituency.

The Opposition is aware of the quality of the honourable member for Armidale, and welcomes his appointment to this important position. The former honourable member for Armidale had an outstanding record and impressive qualifications that fitted him well to serve in this particularly capacity. He had a fine war record as a commando. In 1950 he graduated from the University of Sydney with the degrees of Bachelor of Medicine and Bachelor of Surgery. Subsequently, he undertook post-graduate courses in medicine, as a result of which he was admitted as a Fellow of the Royal College of Surgeons of England, a Fellow of the Royal College of Surgeons, Edinburgh, and a Fellow of the Royal Australasian College of Surgeons. Subsequently he followed the practice of his profession in Armidale for a period of fourteen years.

It is a pity that at times we allow petty decisions—and often they are short-sighted decisions—to cloud our judgment. I am sure that any member of this House who serves on the council of one of our universities and is associated with students and academic and the non-academic staff in them, would make a fine contribution to that institution and have its best interests at heart. I have made these remarks only to record my personal concern about the aspects I have raised. I hope that in the future, any government will ensure that the member elected by the people in his constituency is elected to the council of the university in that centre. I know that the honourable member for Armidale will carry out his responsibilities as a representative of the Legislative Assembly on the Council of the University of New England. At the same time I pay a tribute to the former member for Armidale who served this House well. He set politics aside in his speeches here and indicated to every member of the previous Parliament that he was both frank and blunt in his approach to his responsibilities. I am sure that he would have served the Council of the University of New England to the best of his ability, if he had been given the opportunity to do so.

Mr BEDFORD (Fairfield), Minister for Education [3.16], in reply: I thank the honourable member for Lismore for his comments. The honourable member suggested that the member of this House who is elected to a university senate or council should be the member for the electorate in which the particular university is situated. The Opposition has had a change of heart on this matter. When this Government came to office every position, with the exception of one, on the councils of our universities was filled by a member of the former Government. That applied both in respect of members of the Legislative Assembly and the Legislative Council. I suppose it could be said that I was somewhat naive for **thinking** that as that was the ball game, this Government should continue the system. The point made by the honourable

member for Lismore is well taken. I certainly am willing to consider these appointments in a non-partisan way. The important thing is that any member of the Legislative Assembly would give excellent service to a council or senate of a university to which he is appointed. I am sure that those honourable members who offer their services to these positions address themselves to the problems associated with governing these important institutions, and in doing so confer on those places the benefit of their vast experience. Again, I have pleasure in supporting the nomination of the honourable member for **Armidale** to this position. I thank the honourable member for Lismore for his kind comments about my colleagues.

Motion agreed to.

REPRESENTATIVE OF THE LEGISLATIVE ASSEMBLY ON THE COUNCIL OF THE UNIVERSITY OF NEWCASTLE

Mr **BEDFORD** (Fairfield), Minister for Education [3.18]: I move:

That Samuel Barry Jones, Member for **Waratah**, be elected a member of the Council of the University of Newcastle in pursuance of section 10 (4) of the University of Newcastle Act, 1964.

The Act provides that one of the parliamentary members of the Council of the University of Newcastle shall be a member of the Legislative Assembly elected by that Assembly as soon as practicable after each general election of members of that Assembly. The honourable member for **Waratah** has served the people of the Hunter region admirably over the past two decades. During this time he has been a member of the Newcastle city council and the Hunter District Water Board, deputy chairman of the **Shortland** county council and, ultimately, parliamentary representative for the electorate of **Waratah**. I am aware that the honourable member has long represented the interests of the University of Newcastle and that since November, 1976, he has been a member of the university council. I am confident that his appointment to the council will continue to be of great benefit to the university and I, therefore, have pleasure in moving his re-election.

Motion agreed to.

REPRESENTATIVE OF THE LEGISLATIVE ASSEMBLY ON THE COUNCIL OF MACQUARIE UNIVERSITY

Mr **BEDFORD** (Fairfield), Minister for Education [3.20]: I move:

That **Heathcote Clifford Mallam**, Member for **Campbelltown**, be elected a member of the Council of the Macquarie University in pursuance of section 10 (4) of the Macquarie University Act, 1964.

The Act provides that one of the parliamentary members of the Council of Macquarie University shall be a member of the Legislative Assembly elected by that Assembly as soon as practicable after each general election of members of that Assembly. The honourable member for **Campbelltown**, during the years of his parliamentary service, has actively promoted and sought improvements in all fields of education, and I am aware of his particular interest in the field of tertiary education. I am confident that **his** re-election to the Council of Macquarie University will greatly benefit the council's deliberations and I am pleased to nominate him to serve another term on **this** council.

Mr MADDISON (Ku-ring-gai) [3.21]: I rise to speak to this motion because of my own association with the Council of Macquarie University which I left at the expiry of my appointment in March of this year. The honourable member for Campbelltown was elected by this House to take up his appointment as a member of that council from 24th November, 1976. He succeeded the honourable member for Eastwood who had been a member of the council for many years. I should like to indicate to the House and to the Minister that there is an obligation upon representatives of this House appointed to university councils to attend meetings of those councils. During my term of membership of the council the honourable member for Eastwood was a regular attender. It is not possible to ascertain from any public documents or public records the attendance record of the honourable member for Campbelltown over the past two years. But, on information that is in my possession it would seem that he has been a poor attender and has a bad record of attendance of meetings of the Council of Macquarie University.

The Opposition will not oppose this motion. I simply point out that I believe that any member elected by this House to serve on a university council has an obligation to be present at meetings of that council. Of course, on some occasions parliamentary business will preclude a member from attending. Nevertheless, from the time the honourable member for Campbelltown was elected to the time I left that council in March of this year I saw him at meetings on only two or three occasions. I suggest that a member's election to a university council should not be automatic and a matter of form. Consideration should be given by the Minister to the regularity of attendance and the contribution that the elected member makes to the university's governing body.

Mr BEDFORD (Fairfield), Minister for Education [3.23], in reply: I wish to respond briefly to the matters raised by the honourable member for Ku-ring-gai concerning the honourable member for Campbelltown. I am sad that the bucketing continues. I recall that last time the nomination of the honourable member for Campbelltown was put forward he was subjected to what might almost be described as vile abuse from the former Leader of the Opposition, Sir Eric Willis. On that occasion I thought it was a rather disgusting effort.

Mr Catterson: How many meetings has he attended?

Mr SPEAKER: Order!

Mr Catterson: Tell us about his attendance record.

Mr SPEAKER: Order! I call the honourable member for The Hills to order.

Mr BEDFORD: I am pleased that the buckets are apparently getting smaller and the gentle rebuke offered today was couched in terms quite different from those used two years ago. Obviously there is an obligation upon members of any council or senate of any university to fulfill as many of the commitments as they can relating to the deliberations of that body. That applies to political parties, too. Perhaps I should point out to the honourable member for Ku-ring-gai that there is no provision in the Act of incorporation of the university that requires a copy of the minutes of council meetings to be forwarded to the Minister. However, as with all organizations, someone heads the show and in this case it is the chairman of the council. I am sure that if he felt that a representative of the council should be attending meetings with more frequency he would take it up with the person concerned.

I am sorry the honourable member for Ku-ring-gai, whom I consider to be an honourable gentleman, has listened to rumours. In future if he wants to put forward matters such as this it might be better for him to gather some facts and figures

beforehand in order to present them to the House. Once again I have pleasure in being involved with the nomination of the honourable member for Campbelltown as the representative of this House on the Council of Macquarie University.

Motion agreed to.

REPRESENTATIVE OF THE LEGISLATIVE ASSEMBLY ON THE COUNCIL OF THE UNIVERSITY OF NEW SOUTH WALES

Mr BEDFORD (Fairfield), Minister for Education [3.26]: I move:

That Laurence John Brereton, Member for Heffron, be elected a member of the Council of the University of New South Wales in pursuance of section 8 (3) (b) of the University of New South Wales Act, 1968.

The Act provides that one of the parliamentary members of the Council of the University of New South Wales shall be a member of the Legislative Assembly elected by that Assembly as soon as practicable after each general election of members of that Assembly. The honourable member for Heffron, since his election to the Parliament, has diligently represented the interests of his electorate, which includes the campus of the University of New South Wales. Apart from his parliamentary career, he has had considerable experience in the electrical trade and in the field of industrial relations. For the past two years the honourable member has served the university council well and faithfully on behalf of the Parliament and I feel certain that he will continue to do so. I do not hesitate to move for his re-election.

Motion agreed to.

REPRESENTATIVE OF THE LEGISLATIVE ASSEMBLY ON THE COUNCIL OF THE UNIVERSITY OF WOLLONGONG

Mr BEDFORD (Fairfield), Minister for Education [3.27]: I move:

That the Honourable Lawrence Borthwick Kelly, Member for Corrimal, be elected a member of the Council of the University of Wollongong in pursuance of section 15 (3) (b) of the University of Wollongong Act, 1972.

The Act provides that one of the parliamentary members of the Council of the University of Wollongong shall be a member of the Legislative Assembly elected by that Assembly as soon as practicable after each general election of members of that Assembly. You, Mr Speaker, have spent all your life in the Wollongong area and have displayed a keen and active interest in supporting and promoting local sporting and community organizations. For ten years you have admirably represented the electorate of Corrimal in this Parliament. Your commendable service in this regard has culminated in your appointment as Speaker, a position that you have occupied with distinction since 1976. I am confident that your deep personal interest and concern for the Wollongong area has helped you to make a real contribution as a member of the Council of the University of Wollongong for the past two years. The significance of your participation is reflected in your recent appointment to the office of Deputy Chancellor.

Motion agreed to.

CHIROPRACTIC BILL
MEDICAL PRACTITIONERS (CHIROPRACTIC) AMENDMENT BILL
PHYSIOTHERAPISTS REGISTRATION (CHIROPRACTIC) AMENDMENT BILL
WORKERS COMPENSATION (CHIROPRACTIC) AMENDMENT BILL

Suspension of Standing Orders

Suspension of so **much** of the standing orders as would preclude these bills being treated as cognate bills agreed to on motion (by leave) by Mr K. J. Stewart.

Introduction

Mr K. J. STEWART (Canterbury), Minister for Health [3.30]: I move:

That leave be given to bring in a bill for an Act to provide for the registration of chiropractors and osteopaths.

That leave be given to bring in a bill for an Act to amend section **49** of the Medical Practitioners Act, **1938**, to exclude from the operation of that Act the practice of a registered chiropractor or osteopath.

That leave be given to bring in a bill for an Act to amend section 26 of the Physiotherapists Registration Act, 1945, to exclude **from** the operation of that Act the practice of a registered chiropractor or osteopath.

That leave be given to bring in a bill for an Act to amend the definition of "Medical treatment" in section **10** (2) of the Workers' Compensation Act, **1926**, to include treatment by a registered chiropractor or osteopath.

Leave is sought first to introduce a bill to provide for the registration of chiropractors and osteopaths. The principal object of this measure will be to establish a registration board to register and control chiropractors and osteopaths. It is proposed that the board shall be constituted under the corporate name of the Chiropractors Registration Board and that it shall have nine members, consisting of four chiropractors, one person engaged in chiropractic education, one person nominated by the Minister, one doctor, one lawyer and a member or officer of the Health Commission of New South Wales, who shall be chairman.

Persons wishing to be registered as chiropractors will be required to have undertaken a prescribed course of training and have received a certificate or similar indication that they have successfully completed the course; or to have sat for an examination arranged by the board and have satisfied the board that they are fit to practise chiropractic; or to satisfy the board that they have been bona fide engaged in the practice of chiropractic in New South Wales for a period of not less **than** four years in the period of ten years **immediately** preceding the date of their application for registration. Persons wishing to be registered as osteopaths will be required to obtain similar qualifications or satisfy the board that they have been practising osteopathy for the requisite period.

The bill will contain certain disciplinary provisions and will empower the board to hold an inquiry to determine the fitness or otherwise of a person to practise chiropractic or osteopathy. It will be an offence for persons who are not **bona fide** students or medical practitioners or persons registered or exempted under the **Act** to manipulate for fee or reward the joints of the human spinal column, including its immediate articulations, for therapeutic purposes. The bill will provide that the use of the titles chiropractor and osteopath will be confined to persons who are registered under the Act respectively as chiropractors and osteopaths.

Second, leave is sought to introduce a bill to amend section 49 of the Medical Practitioners Act, 1938, to exclude from the operation of that Act the practice of a registered chiropractor or osteopath. The bill is cognate with the Chiropractic Bill, 1978. As indicated in the long title, the bill will seek to exempt registered **chiropractors** and registered osteopaths practising chiropractic and osteopathy respectively from the provisions of the Medical Practitioners Act, 1938.

Third, leave is sought to introduce a bill to amend section 26 of the Physiotherapists Registration Act, 1945, to exclude from the operation of that Act the practice of a registered chiropractor or osteopath. The bill is cognate with the Chiropractic Bill, 1978, and in the context of the Physiotherapists Registration Act, 1945, will authorize registered chiropractors and registered osteopaths to practise chiropractic and osteopathy respectively.

Fourth, leave is sought to introduce a bill to amend the definition of medical treatment in section 10 (2) of the Workers' Compensation Act, 1926, to include treatment by a registered chiropractor or osteopath. The bill is cognate with the Chiropractic Bill, 1978. As indicated in the long title, the sole object of the bill **will** be to widen the application of the term medical treatment within the meaning of the Workers' Compensation Act, 1926. I commend the motions. I shall be pleased to give further particulars at the second reading stage.

Mr J. A. CLOUGH (Eastwood) [3.34]: The members of the Opposition **do** not oppose the motions for leave to introduce these bills, but ask that the Minister clarify in his second reading speech a doubt we have about the way in which chiropractors and osteopaths will be registered. As we understand it, a chiropractor manipulates the joints of the human spinal column, including its immediate articulations, and an osteopath may perform such manipulation as well as engage in procedures involving the tissues. Will the certificate of registration certify that the registrant is qualified **to** practise chiropractic only or, in appropriate circumstances, **that** the registrant **is** entitled to practise chiropractic and osteopathy?

Mr SPEAKER: Order! The honourable member for **Eastwood** should confine his remarks to the introductory speech of the Minister. I appreciate that the honourable gentleman wants some questions answered, but it may be more appropriate to ask **those** questions at the second reading stage.

Mr J. A. CLOUGH: With due respect, Mr Speaker, if I am to get answers **at** all, I must ask the questions now.

Mr SPEAKER: Order! This is not question time. The honourable member far **Eastwood** has been in Parliament long enough to know that when taking part **in** debate on a motion for leave to introduce legislation, he is confined to discussing matters contained in the motion and in the Minister's introductory speech. If that is not done, the business of the House will be delayed—in this case by what amounts **to** a question and answer period.

Mr J. A. CLOUGH: I am not satisfied that the form of registration **will have** the effect intended. I notice that the board that will register and control chiropractors and osteopaths will consist of nine members, four of whom are to be chiropractors, one a person engaged in chiropractic education, one a person nominated by the Minister, a doctor, a lawyer, and a member or officer of the Health Commission of New South Wales, who shall be chairman. Although the proposed legislation will provide for the registration of chiropractors and osteopaths, it makes no provision for an osteopath to be a member of the registration board. That is why I seek a better definition of

what will be entailed in registration. I ask the Minister to provide that information so **that** the members of the Opposition can determine the course they should follow in the second reading debate.

The other bills **will** be consequential on the passage of the Chiropractic Bill, and there is little point in suggesting that there will be any objection to them.

Motions agreed to.

Bills presented and read a first time together.

Transferred to the Bill Committee, 1978, and read a second time together.
On 20th March, 1978, the Bill was read a second time together.

NATIONAL PARKS AND WILDLIFE (ADJUSTMENT OF AREAS) BILL (No. 2)

Introduction

Mr **HAIGH** (Maroubra), Minister for Corrective Services [3.40]: I move:

That leave be given to bring in a bill for an Act to transfer certain land from Vacluse House Historic Site to Sydney Harbour National Park, and to excise land from certain national parks, historic sites and nature reserves.

This is the same bill as was read for the first time on 7th March, 1978, and did not proceed any further at that sitting of the House. As to the boundary adjustments for public road purposes first mentioned, the national parks proposed to be affected are Blue Mountains, Royal and Brisbane Water national parks, and the historic site is that at Hartley. The areas of land involved are 7 737 square metres at Mount Wilson (Blue Mountains), 1 441 square metres at **Kariong** (Brisbane Water); 3.925 hectares at **Loftus** (Royal); and 714.3 square metres at **Hartley** historic site. These parcels of land do not possess such special environmental value as to deny reasonable requirement for road and related purposes. The public advantage in improved road facilities outweighs the diminution of areas reserved under the Act by the very small amounts that I have mentioned.

As to the transfer from Vacluse House to Sydney Harbour national park, the building in question is known as Greycliffe House, at one time a **Tresillian** hospital. In recent years it has been in use by the National Parks and Wildlife Service as an administrative centre for the management of Sydney Harbour national park. The trustees of the historic site are in agreement with the proposed amendment, and the site will not suffer any impairment as a result. Nielsen Park, which is also proposed by this bill for transfer from Vacluse House Historic Site to Sydney Harbour national park, is aptly qualified by situation and scenic character to belong to one of the most beautiful and unique national parks in the world. The provisions of the bill which revoke reservations and dedications in respect of Blue Mountains national park, **Hill** End historic site and **Muogamarra** and Sherwood nature reserves, correct an omission **made** at the time of the addition of certain lands to the areas I have mentioned. The **purpose** of these provisions is merely to ensure that there is a depth restriction over areas added to the park to standards requested by the Department of Mines.

The proposal concerning Ku-ring-gai Chase national park is merely of a corrective nature and revokes the reservation of one allotment at Pittwater of 619.7 square metres which resulted from an oversight in drafting. The reservation at Mount **Scanzi** is a small exterior part of Morton national park proposed for revocation. This **land** comprises nineteen hectares and is separate from the main body of the national park. It was acquired at a time when it seemed possible to also acquire the intermediate land, and that the land in question would become integrally a **part** of the **park**. However, through changes in ownership and attitudes, such likelihood

diminished and now the advantage of preserving continuity in the park boundary line is preferable to retaining an anomalous area which would also involve difficulties in matters of access, management and public services to which I shall refer in more detail at a later stage. I commend the bill.

Mr FISHER (Upper Hunter) [3.45]: The Opposition has no objection to the introduction of the bill. At the second reading stage it will examine in detail the proposals outlined by the Minister. The proposals appear to be of an essentially administrative nature, but it is right and proper that any proposals of this kind that affect national parks should be reviewed and examined by the Parliament. One of the proposals is for the construction of public roads within national parks where this allows better use and management of the parks. The Opposition has no objection to measures that enable national parks to be so designed and managed that persons are able to enjoy the advantages of the parks.

The transfer of Greycliffe House from Vacluse House to the Sydney Harbour national park should be a forerunner to greater activity in the development of that national park. Activity in this direction has been frustrated for a long time, and we hope for more co-operation between governments to ensure that plans for the Sydney Harbour national park come to fruition more quickly than they have done in the past. The other principal matter dealt with in the bill is the restriction of depths under national parks for mining purposes. At the second reading stage the details of the bill will be examined thoroughly by the Opposition.

Motion agreed to.

Bill presented and read a first time.

FRUSTRATED CONTRACTS BILL

LIMITATION (FRUSTRATED CONTRACTS) AMENDMENT BILL

DISTRICT COURT (FRUSTRATED CONTRACTS) AMENDMENT BILL

COURTS OF PETTY SESSIONS (FRUSTRATED CONTRACTS) AMENDMENT BILL

Suspension of Standing Orders

Suspension of so much of the standing orders as would preclude these bills being treated as cognate bills agreed to on motion (by leave) by Mr Walker.

Second Reading

Mr WALKER (Georges River), Attorney-General and Minister of Justice [3.48]: I move:

That these bills be now read a second time.

The Law Reform Commission received a reference "To consider the Law Reform (Frustrated Contracts) Act, 1943 of the United Kingdom for the purpose of recommending whether it is suitable for adoption in New South Wales and, if it is suitable, what modification of it would be necessary and incidental matters". As a consequence the Law Reform Commission prepared a report entitled "Frustrated Contracts".

I do not intend to undertake a legal discourse on the principles of frustration, suffice it to say the Law Reform Commission did put forward two judicial statements to describe frustration of a contract. First, Viscount Simon is quoted as stating:

Frustration may be defined as the premature determination of an agreement between parties, lawfully entered into and in course of operation at the time of its premature determination, owing to the occurrence of an intervening event or change of circumstances so fundamental as to be regarded by the law both as striking at the root of the agreement, and as entirely beyond what was contemplated by the parties when they entered into the agreement.

The second statement is by Lord Radcliffe who indicates that—

Frustration occurs whenever the law recognises that without default of either party a contractual obligation has become incapable of being performed because the circumstances in which performance is called for would render it a thing radically different from that which was undertaken by the contract . . .

The English law provides, in a pioneering wartime Act of 1943, for adjustment between the parties to a contract where the contract is frustrated; it provides that money paid under a frustrated contract must be repaid, but the payee may deduct a sum for his own cost of performance; and a party who has received other performance must pay its value—as affected by the frustrating event—but again he may deduct a sum for his own cost of performance. Having examined the English Act, the Law Reform Commission is of the view that it is better than the common law; however, the commission believes defects do exist—an example being that the recoupment of cost is limited to the amount of money prepaid and the value of performance received; and payment for performance received is measured by its value, not by the contract price.

In New South Wales there is no general legislation for adjustments where a contract is frustrated; the parties are left to the common law which is often unfair. It is relevant to quote one example given by the Law Reform Commission to demonstrate the unjustness of the common law. The commission said:

Say a builder agrees with an owner of land to build a brick house on the land. The contract provides for payments to be made at stages of the work, the first stage being completion of brickwork. The builder has almost completed the brickwork when the contract is frustrated. On these facts he cannot recover anything under the contract from the owner, because no payment became due under the contract before the frustration. But the landowner has a windfall. He has the value of the brickwork, so far as done before frustration, but is not obliged under the contract either to contribute to the cost incurred by the builder or to pay him anything for the value of the brickwork.

This type of situation will be remedied by the new legislation. The elements of the scheme proposed by the Law Reform Commission and embodied in the Frustrated Contracts Bill are: first, provision for repayment of any payment made before frustration; second, provision for payment for any benefit, other than money, which one party has obtained from the other under the contract; and third, provision for costs which a party incurred for the purpose of performing the contract. Clause 1 of the Frustrated Contracts Bill, 1978, is the short title. Clause 2 is the commencement and clause 3 outlines the division of the proposed Act. Clause 4 makes provision for the Crown to be bound by the proposed Act: and clause 5 is the interpretation clause.

Mr Walker]

Clause 6 excludes certain types of contracts from the operation of the proposed Act. For example, the **commission** has recommended this scheme should not apply to contracts of insurance and contracts for the carriage of goods by sea. This is in keeping with all other similar schemes. Clause 7 provides for the discharge of an unperformed promise under a frustrated contract except to the extent necessary to support a claim for damages for its breach before the time of frustration. In recommending this provision the Law Reform Commission agreed with an earlier statement by **the** British Columbia Law Reform Commission that since—

The purpose of frustrated contracts legislation is to provide a fair formula for adjusting the overall positions of the parties once the doctrine of frustration becomes applicable, the legislation should deal with obligations that were due to be performed before the frustrating event occurred, but which were unperformed.

Clause 8 requires the fact of frustration of a contract to be taken into account when assessing, after frustration, damages for breach of the contract under a liability that occurred before frustration. Clause 9 is an interpretation clause applicable to division I of part III of the bill which deals with adjustment on frustration of a contract. Clause 10 sets out the formula for adjustment between the parties where one party has wholly performed his side of the contract, and clause 11 is the formula for adjustment where a party has only partly performed his side of the bargain. Clause 12 requires that money paid under a frustrated contract before the time of frustration, is to be refunded. Clause 13 deals with the situation where a contract is frustrated after a party has incurred preliminary expenses, not amounting to part performance of the contract, but nevertheless incurred in order to enable him to perform his promise.

Perhaps it is best to illustrate the operation of the present law and the effect of clauses 10 to 13 of the Frustrated Contracts Bill on it by way of example. Say there is a contract between A and B under which A is to do work and supply materials for B for a price in money. A starts work but is injured in an accident—not his fault—and is unable to finish the work; the contract is frustrated. Under the present law the result of this situation is that A can keep anything B has paid him, whether it is not enough or too much for the amount of work done. So if B has not paid anything to A, then A will get nothing for his work. Also under the present common law there is no right to damages on either side.

The scheme now put forward to replace the common law requires that money paid must be repaid. If A has partly performed the contract, then: first B must pay for what A has done, less an allowance for loss of value by reason that performance will not be completed; second, if the cost to A of the work he has done exceeds the value of that work to B then B must pay half the excess to A, and third, if A incurred cost with a view to starting work but has not actually started that work, then B must pay half of those costs of A, subject to an allowance for any materials left on A's hands. I think it must be conceded that this new scheme is much more flexible than the present common law and therefore much more capable of producing an equitable result all round.

I move now to clause 14 of the bill. Where a person is entitled under division I or 2 of part III of the bill to be paid a sum of money by some other person, then clause 14 entitles that person to recover the sum as a debt in a court of competent jurisdiction. Clause 15 is a very significant provision. If the scheme as outlined to date seems manifestly inadequate or inappropriate; or its application would cause manifest injustice, or would be excessively difficult or expensive, then a court is given power to make adjustments at discretion. Clause 15 empowers a court to exclude the operation of the proposed Act under certain circumstances, and to substitute its own scheme

of adjustment between the parties to a frustrated contract. The Supreme Court and the District Court are given wide powers to make an order appropriate in the circumstances of the particular case. For example, they may make orders for any disposition of property; the sale or other realization of property; the disposal of the proceeds of sale or other realization of property; the creation of a charge on property in favour of any person and the enforcement of a charge so created; the appointment and regulation of the proceedings of a receiver of property; and the vesting of property in any person.

The remaining section of the bill is part IV. It provides for the removal of actions from courts of petty sessions into the District Court. Clause 16 is an interpretation provision. Clause 17 provides that an action under the proposed Act for the recovery of money may be removed from a court of petty sessions to the District Court. The application should be made to the District Court and that court may then make whatever order it considers appropriate in the circumstances. Proceedings under the proposed Act may be complex, or some relief may be claimed which is beyond the powers of a court of petty sessions. As I have already stated, only the Supreme Court and District Court have been given the extensive powers that I have enumerated. There are already sufficient powers of transfer between the Supreme Court and the District Court.

Accordingly, there is a need for a provision to facilitate the removal of proceedings from a court of petty sessions into the District Court. Clause 18 provides that where an application is pending in the District Court for an order for the removal of an action in a court of petty sessions, the District Court may make orders for the stay of proceedings in the action. Clauses 19 and 20 are procedural provisions, and provide *inter alia* for the place at which an application should be made, and for the limiting of costs for so much of the action as taken in the court of petty sessions as is limited and may be prescribed by rules made under the Courts of Petty Sessions (Civil Claims) Act, 1970.

Clause 1 of the Limitation (Frustrated Contracts) Amendment Bill, 1978—which is cognate with the Frustrated Contracts Bill, 1978—is the short title and Clause 2 deals with the commencement of the proposed Act. Clause 3 amends **the** Limitation Act, 1969 by fixing the limitation period of six years for the bringing of an action under the proposed Frustrated Contracts Act, 1978 for the recovery of money or for the adjustment by the court of rights and liabilities following frustration of a contract. Clause 1 of the District Court (Frustrated Contracts) Amendment Bill, 1978—which is also cognate with the Frustrated Contracts Bill, 1978—is the short title and Clause 2 is its commencement. Clause 3 of the bill amends the District Court Act, 1973 to confer jurisdiction on the District Court to hear and determine an application under division 4 of part III of the proposed Frustrated Contracts Act, 1978 where the value of the claim does not exceed \$20,000. Clause 1 of the Courts of Petty Sessions (Frustrated Contracts) Amendment Bill, 1978—which again is cognate with the Frustrated Contracts Bill, 1978—is the short title and Clause 2 is the commencement. Clause 3 amends the Courts of Petty Sessions (Civil Claims) Act, 1970 to allow the Governor to make rules under that Act with respect to certain costs incurred in a court of petty sessions when an action under the proposed Frustrated Contracts Act is removed from the petty sessions court into the District Court. I believe that the Law Reform Commission's proposals as embodied in these bills provide a much more equitable solution to the situation involving frustrated contracts than the existing common law. I commend the four bills to the House.

Mr Walker]

Mr MADDISON (Ku-ring-gai) [4.0]: The legislation that the House is considering, which is contained in four cognate bills, as the Attorney-General and Minister of Justice stated, follows the principles recommended by the Law Reform Commission in its report dated 25th June, 1976, following a reference given to that commission by the previous Government. This is a difficult subject to explain to other than lawyers, and possibly difficult to explain to some lawyers. We are discussing a fairly esoteric branch of the law. I do not propose to elaborate in great depth on the principles to be found in the Act; rather I shall highlight by way of example the kind of situation that may arise when a contract is frustrated and the kind of recompense or adjustment between the parties which this law will provide.

A contract is said to be frustrated when, due to no fault of either party to the contract, an outside factor or circumstance intervenes which prevents the contract from being completed. That is, the promises under the contract are either wholly or in part unable to be fulfilled. The Attorney-General quoted certain statements which appear in the Law Reform Commission report as seeking to define frustration. Perhaps it is more appropriate in this Chamber to look at a couple of examples of frustration which highlight what frustration is all about. As the Attorney-General said in his introductory speech, if one has a contract for the painting of one's house and the house is burnt down, then indeed the contract is frustrated. If one has a contract for the letting or hiring of a hall some time in the future, and some time prior to one's being able to take advantage of that contract, the hall is burnt down, again one has a contract that is frustrated.

A second example of where frustration occurs is when there is a change in the law after the contract is made which makes the performance of the contract illegal. A typical example of this is a contract for the importation or exportation of goods, and the Government steps in after the contract and renders illegal the importation or exportation, as the case may be. The third kind of case, which fortunately these days is rare, is the intervention of a war which would frustrate a contract when it became impossible to fulfil the contract by the supply of goods to an enemy country.

The effect of frustration of contract is found in part II of the main bill that we are discussing this afternoon, the Frustrated Contracts Bill. The bill provides that where a promise under a contract is not performed but should have been performed before the frustration occurs, then the contract is at an end except as to any claim for damages against the party who failed to perform his part of the deal before the frustration occurs. The Law Reform Commission instances in this context a contract requiring the delivery of part of a machine which is needed urgently. One has to be thankful to the Law Reform Commission for providing some examples which seek to demonstrate the principles that are to be found in this bill.

I was referring to a contract requiring the delivery of part of a machine which is needed urgently and which is essential for the machine to operate. Before delivery of that part which is required, frustration occurs and the intended recipient of the part, the other party to the contract, suffers damage by reason of his not being able to use the machine and put it into production. In such a case the other party can recover damages for any loss occasioned up to the point of frustration as a result of not being able to use the machine. On the other hand, there is no liability accruing to the recipient of the part for any damages for loss which would be occasioned as a result of his being unable to use the machine after the time of frustration.

Subclause (2) of clause 7 preserves the right of a party to a contract to enforce a continuing obligation on the part of the other party to the contract beyond the time at which frustration occurs. Thus, as instanced by the Law Reform Commission,

if a service agreement has a covenant on the part of the servant not to reveal trade secrets which he has acquired in the course of his employment, and the contract becomes frustrated, there is a continuing obligation on the servant to abide by his covenant. There is, therefore, a continuing obligation which extends beyond the time of frustration.

The most important part of the legislation deals with principles of adjustment between parties to a frustrated contract. As the Attorney-General stated, the principles are not recognized by the common law, which is the law applying to frustrated contracts in New South Wales. One should emphasize at this point that it is the common law which applies in New South Wales when dealing with adjustments between the parties to a frustrated contract. There is no statutory right which seeks to adjust the rights and obligations of the parties. Clearly from all that is to be found in the report and from what the Attorney-General said, the common law certainly provides inadequate redress to the parties to a frustrated contract.

Part III sets out a series of principles to provide an equitable adjustment between the parties to a frustrated contract. I propose to deal briefly with those. Clause 10 provides that where a party has met his total obligation under a contract and frustration occurs, the other party is required to fulfil his part of the bargain as provided for in the contract. Where there is part performance but not whole performance of obligations under a contract before the frustration occurs, then the performing party is entitled to receive compensation from the other party for the part performance on the bases that are set out in the measure. There are a number of permutations and combinations of circumstances which are covered specifically.

Clause 15 has some saving provisions which give a court the power to make adjustment to provide an equitable solution to the respective rights of the parties where the precise provisions of the legislation are, as clause 15 states, manifestly inadequate or inappropriate, would cause manifest injustice or the remedies provided by the specific clauses of the bill would be excessively difficult or expensive. In such a case the court can make such orders by way of adjustments in money or otherwise as the court sees appropriate.

Perhaps the clearest way to indicate what is proposed in the legislation is to provide the House with some specific principles that are taken into account in coming to an equitable solution in the varied circumstances which can occur. In the simple case where part performance prior to frustration has occurred, compensation payable is related to that proportion of the total contract price which is attributable to the value of that part of the contract which has been in fact performed. By way of simple example, the Law Reform Commission refers to a contract which requires the delivery of 1 000 tonnes of shale for \$100,000. The purchasing party has had delivered before the frustration only 100 tonnes, which is one-tenth of the total order. In such a simple example the buyer would pay one-tenth of the total price, that is, \$10,000. On the face of it, honourable members would see that is a reasonable proposition.

Consider, however, a different kind of contract where again there is part performance before frustration and the purchasing party suffers a loss due to the inability of the supplier to continue the performance of the contract. In the bill such a loss is referred to as the lost value of the performance. The Law Reform Commission quoted the following interesting example, although in a sense it is a fairly trivial kind of contract. The commission referred to a contract for the manufacture and supply of matched earrings. Only one earring is delivered to the purchaser prior to the contract being frustrated. According to the bill the lost value of the performance is the difference between the value of the single earring that was delivered and its value as an unmatched earring. I understand that women would recognize this problem. A

Mr Maddison]

set of earrings can be of considerable value, but they seem to lose value quickly if one is lost. Usually it is then an unusable article of jewellery. The lost value of the performance where only a single earring is delivered instead of a pair prior to frustration is the difference between the value of the earring delivered and its value as an unmatched earring.

Mr Einfeld: They could cut off one ear.

Mr Walker: Or put it through their nose.

Mr MADDISON: Ladies might have difficulty in the circumstances I have mentioned, but I have seen many men wearing a single earring, so that this might not present the same problem to a male as it would to a female. Assuming the contract price for the two earrings is \$200 but the purchaser has made a bad bargain because the resale value of the pair is only \$100 on the market, the resale value of the one earring is only \$20. Strictly, the proportionate allowance under the contract for the one earring would be half the contract price, namely \$100. The lost value has then to be calculated and this, of course, is related to the market price which, because of the bad bargain, makes the set of earrings worth \$100 so that one earring would have a value of only \$50. But as the resale value of the one earring is only \$20, the lost value is \$30. This figure is then set off against the proportionate allowance of \$100 and therefore only \$70 is payable for the single earring delivered. The purchasing party suffers a loss of \$50 resulting from the bad bargain he has made because he contracted to buy the set of earrings for \$200 and they were worth only \$100 on the market. That is an indication of the way in which this bill seeks to adjust a situation that is perhaps not sufficiently common to warrant this treatment. Nevertheless, it provides a solution to problems that arise where there is a loss in value as a result of part performance of a contract.

On some occasions the performing party to a contract may incur expenditure prior to frustration which it is difficult to allocate precisely in the costing of that portion of the contract that has been performed. For example, general overheads are not easy to apportion. Employees may be working on several different jobs at the same time as the particular contract in respect of which it is hard to allocate a precise cost factor, and materials to fulfil the contract may be drawn from stock on hand. A cost then has to be established as representing fair compensation to the performing party for his costs associated with his part delivery or part performance under the contract. The test is what costs were reasonably incurred for the purpose of giving the performance received. The bill also considers compensation payable where there has been part performance but where an enhanced value of property has resulted or improvements have been made to property in the course of the performing party's part performance. The Law Reform Commission poses the case of a manufacturer of chemicals who, after part delivery of an order, has left on his hands by-products from the manufacture of the products delivered. The Act requires that the value of these by-products be offset against the cost of the order delivered. That is, the buyer pays for the value of the goods delivered less the value of the by-products produced in the process of manufacture.

The scheme of the bill in adjusting compensation to the parties to a frustrated contract partly completed requires assessment of the value of the part of the contract fulfilled which takes into account any lost value to the other party. It requires that there be taken into account incidental gain to the performing party such as is found in the example of the by-products that I mentioned a moment ago. It can be appreciated, therefore, that there will be occasions when the costs of the performing party in fulfilling part of his obligations under the contract will exceed the value received by the other party to the contract. The classic example of this is the purchase of special

materials for the manufacturing process necessary to fulfil a contract which are applicable only to the particular process required to produce the special manufactured goods, which cannot be used for any other purpose and which after part **fulfilment** leave surplus materials on the performing party's hands. In such cases the bill provides that the other party to the contract will pay to the performing party the attributable value that he has received plus one half of the excess costs incurred by the performing party.

Generally it can be seen that great attention has been given to providing means whereby equity will prevail as between parties to a frustrated contract under this bill. It goes without saying that the formulae which are provided by the legislation **will** require much consideration and development by the courts called on to determine disputes of the kind which is clearly envisaged. Time alone will tell how successful the legislation is after undoubted refinements occur as the result of decided cases. That should not deter us from proceeding with the passage of the bill.

As the Attorney-General has said—and I agree with him—the common law is quite inappropriate and inadequate. Certain contracts are excluded from the provisions of the bill and clause 6 deals with them. A charter party is excluded. Such a contract relates to the letting of a ship for a **specified** voyage or for a **specified** period of time. It is important that the law here should follow the law in England, New Zealand and other parts of the world where the common law applies. It would be unfortunate if there were not a basic uniformity between the law in relation to charter parties operating round the world. The law relating to charter party arrangements is that if a cargo is not delivered at a specified port and neither of the parties is responsible for the non-delivery and frustration occurs, if freight is prepaid nothing is recoverable. Alternatively, if freight is payable on delivery at a port and the ship does not arrive due to frustration, no freight is payable. The bill will not apply also to a contract for the carriage of goods by sea, apart from the charter party provisions, and does not apply to a contract of insurance. I should say that it **does** not apply to a contract entered into prior to the bill coming into operation.

In regard to the exclusion of charter party contracts and contracts for the carriage of goods by sea, the Law Reform Commission explained in its report that it discussed these exclusions in shipping circles in Sydney and as a result it has recommended the exclusions because of the uniformity of **shipping** laws and the fact that the general risks are well understood by businessmen associated in this form of contracting. In any event, the shipping law is generally controlled in this country **by** federal statute and by **foreign** statutes in other countries. There are some Imperial statutes that create a lot of problems.

The Law Reform Commission justifies the exclusion of insurance contracts from the operation of the legislation on a number of grounds that are set out at page 43 of its report. There the commission says that it is satisfied that these contracts should be excluded and points out that the common law basically applies as far as insurance contracts are concerned and applies where frustration under such contracts occurs. Under the common law if a contract of insurance is frustrated a refund of premiums is made. A need exists to ensure uniformity throughout Australia and other Commonwealth countries because many insurance contracts have interstate, national and international ramifications. The Law Reform Commission justifies the exclusion of insurance contracts on the basis that that is a special field of business regulated by statute in terms of the way insurance companies are controlled and regulated, and the statutes which regulate insurance business assume that the common law applies to insurance contracts.

Mr Maddison]

The Law Reform Commission concluded this part of its report on the basis that if there is to be any change in regard to the law operating as far as insurance contracts are concerned the change should be looked at in the general context of a review of insurance law generally. It remains to be said that there are certain amendments to be made to related Acts. The District Court Act is to be amended to vest that court with the same jurisdiction as the Supreme Court for dealing with proceedings under the Frustrated Contracts Act where the claim does not exceed \$20,000. The Court of Petty Sessions (Civil Claims) Act will be amended to give to the court of petty sessions the right to make rules where an action for recovery of moneys under the Frustrated Contracts Act has been commenced in that court and an order has been made for the removal of such action to the District Court. Provision is made for the removal of actions resulting from a contract that is frustrated from the jurisdiction of the court of petty sessions to the District Court.

The Limitation Act is also being amended by one of the cognate bills so that an action under the Frustrated Contracts Act must be commenced within the period of six years from the date of frustration occurring. For all the reasons I have stated including the inadequacy of the common law and defects that the Law Reform Commission found in the British statute and in the British Columbia statute as well as the high quality of the report produced by the Law Reform Commission, the Opposition certainly supports the passage of the Frustrated Contracts Bill and cognate bills because it believes that, all in all by the terms of the legislation equity will prevail.

Mr DOWD (Lane Cove) [4.22]: I appreciate the need to enhance the common law in dealing with this difficult area and I do not oppose the passing of the legislation. I am concerned about its drafting. Perhaps I should express my gratitude on behalf of the profession to which the Attorney-General and I belong for a fruitful source of litigation. Implicit in the definition sections is a concept of value which ignores the problem that value is relative to the person concerned. That aspect has been outlined in some of the examples put to the House by the honourable member for Ku-ring-gai. What is of value to a particular person, because of the expertise or equipment he has, or a particular calling he may be in, has no absolute standard. I fear that there is a logical problem in the definitions which will lead to other litigation and pleas being put before courts which will be difficult to construe. The other area that concerns me is that clause 6 indicates the areas in which the Act does not apply. The wording in subclause (2) to which I refer is:

. . . in any case in which the circumstances alleged to give rise to frustration of the contract furnish a case for the winding up or dissolution of the body.

That ought to have been expressed more precisely. Furnish a case to whom? At what stage? And what does "furnish a case" mean? I do not find that intelligible. Does it mean to the court and does a determination of the matter have to arise as a subsidiary part of the pleadings? It is unfortunate that that terminology was used. Other than expressing gratitude on behalf of my profession for what I think is not well worded in relation to the concept of value, I commend the Attorney-General for making this important attempt, based on a well prepared document, to deal with this problem which has been with us for so long. It is important that we make an attempt to allow judges to create the judge-made law that is essential to the solution of the problem. Australia is one of the most important of the common law developing countries. The legislation will assist in solving what has thus far, particularly in relation to partly completed contracts, been a difficult area.

Motion agreed to.

Bills read a second time together.

Third Reading

By leave, bills read a third time together, on motion by Mr Walker.

AUCTIONEERS AND AGENTS (AMENDMENT) BILL
STATUTORY AND OTHER OFFICES REMUNERATION (AUCTIONEERS AND AGENTS) AMENDMENT BILL

Suspension of Standing Orders

Suspension of so much of the standing orders as would preclude these bills being treated as cognate **bills** agreed to on motion (by leave) by Mr **Einfeld**.

Second Reading

Mr EINFELD (Waverley), Minister for Consumer Affairs, Minister for Housing and Minister for Co-operative Societies [4.27]: I move:

That these bills be now read a second time.

The main purposes of the Auctioneers and Agents (Amendment) Bill are to **reconstitute** the Council of Auctioneers and Agents, to introduce restricted licensing and to make further provisions with respect to the Fidelity Guarantee Fund. The bill proposes a number of amendments to the Auctioneers and Agents Act which are important in that they pave the way for a comprehensive review of the Act and its functions that is long overdue. The Act has now been in force for more than thirty-seven years.

The bill is **almost** identical with some amendments that were debated recently for two days and occupied many hours of the time of the Parliament. In that period of thirty-seven years the number of licensees and certificate holders has grown from 5 000 to about 23 000 and the structure, practices and inherent problems of the industry have substantially changed. There have been at least 14 piecemeal amendments to the Act in these nearly forty years. The result is that the Act nowadays is complex but still not relevant to today's conditions. The Government proposed to amend the Act during the last Parliament. As Honourable Members will recall, those amendments were neutralized in another place to the extent that their resubmission could not be organized before the last Parliament was dissolved. Honourable members will be aware of the beneficial effects of the dissolution which has brought about a good Parliament with a clear majority for the party which represents the democratic viewpoint of the people of New South Wales.

The changes proposed in this bill largely mirror amendments put to the Parliament earlier this year. There are some **differences** but, in the view of the Government, very little that was said in opposition to the earlier bill has become sensible or attractive on careful examination or with the passage of time. The reasons are obvious. As I have said previously, the earlier bill was frustrated for motives that had little to do with what was contained in it. When honourable members come to consider this bill they should bear in mind a most important point about the Council of Auctioneers and Agents. When the Government talks of the need of the council to be relevant, it means that it exists or should exist to help to regulate the industry in the interests of consumers as well as members of the industry.

To those who disagree that the interest of consumers needs to be promoted I recommend a thorough examination of the annual report of the Commissioner for Consumer Affairs tabled recently in this House. This report mentions intractable

complaints from consumers relating to real property transactions and shows that nearly 7 per cent of all complaints to the Department of Consumer Affairs related to real estate dealings. A cardinal aim of the bill is, therefore, to promote the interest of consumers as well as that of members of the industry. The bill has two other prime objectives. They are, first, that the council should reflect conditions in the industry and second, that it should be truly representative of all sectors of the industry. These three objectives are the reason for the proposals in this bill, which I shall now describe in detail.

Probably the most important amendment **proposd** relates to the reconstitution of the Council of Auctioneers and Agents. The council, which is charged with the administration of the Act, consists of thirteen members. Twelve are elected triennially from the ranks of auctioneers, stock and station agents, real estate agents and business agents. Although the Act requires the registration of real estate salesmen and indeed, regulates their activity, it is surprising that this group is not afforded representation on the council. The Government is fully conscious of the need for governing bodies to be fully representative of those whose activities it regulates. For this reason registration will be afforded to two members of the Real Estate Salesmen's Association and one representative elected from the ranks of stock and station salesmen. The representative from the stock and station salesmen would be from an association if there were such a registered body.

I have already spoken of the changes in the structure and the problems of the industry since the Act was drawn up, and the need for the council to **deal** with these changes. In this context the Government believes that the time has come for the council to have a full-time chairman with proper experience in the industry. The Government is in no way decrying the efforts of any chairman, past or present, but it believes that the appointment of a full-time chairman is long overdue. Such an appointment will enable a comprehensive review of the Act to be undertaken with the assistance of a person who is fully versed in the structure, needs and problems in the industry. The membership of the council will thus be increased to seventeen.

I might say here that the assertion that the addition of three employee representatives **plus** a full-time chairman somehow adds up to a government takeover is a childish and wilful misrepresentation of the facts. I repeat: Twelve members of the council are, and will continue to be, elected by their industry groups. It is proposed also that members of the council shall retire at the age of 70 years. This will bring members into line with general government policy for officers and members of all statutory bodies. There is some inherent fear that a full-time chairman, together with these three employee representatives, could take over the council. I am sure that many people believe that the full-time chairman is already on the plane flying here from Moscow to take over as some sort of commissar.

Another important amendment in the bill relates to licensing. In a number of the more remote rural and holiday areas of our State agency and auctioneering businesses are conducted by unlicensed persons. This practice usually arises because the areas concerned are too small or isolated to support a permanently established agency or auctioneering business. The aspect here that causes most concern to the Government is that persons having dealings with these unlicensed persons have no recourse whatever to the Auctioneers and Agents Fidelity Guarantee Fund in the event of defalcations by an unlicensed person. The proposed amendments will effectively resolve this unsatisfactory state of affairs by providing for the issue of restricted licences. It will now be possible to issue a licence restricted to place, region or purpose. A licence may be restricted also to any place or region for a specified purpose.

Though the present Act contains some provisions that regulate the conduct of licence and certificate holders, it falls short of prescribing ethical standards of conduct. On occasions the actions of licensees, certificate holders and real estate dealers, though not amounting to a breach of the Act, fall short of the standards that should be expected of them. For some time the council has appreciated the need for a standard of ethics and as long as twenty-two years ago it introduced a code of ethics for the industry. In 1974 this code was reviewed and substantially improved in a set of rules of conduct. However, without statutory endorsement these rules are not followed by all practitioners in the industry, though they are normal, generally accepted standards of ethical behaviour. The proposed amendments will enable legislative recognition of these rules. Rules of conduct may now be prescribed by regulation. Failure to observe them will leave the offender liable to a penalty.

Two further amendments contained in the bill relate to real estate dealers. Honourable members may be surprised to hear that a real estate dealer is not required to pay any fee on registration, nor is he required to contribute to the Auctioneers and Agents Fidelity Guarantee Fund. Real estate dealers will now be required to pay the same fees on registration and make the same annual contribution to the fund as licence holders.

Other important amendments relate to advertising. As the Act now stands, it is an offence for any licensee or real estate dealer to publish any statement which is false or misleading in a material particular and intended to promote the sale of property. This adequately covers situations where the advertisement relates to the sale of property, but it does not encompass leasing, an increasing source of complaint by consumers. If a licensee or dealer makes any false or misleading statement in an advertisement which is intended to promote a leasing proposition, he or she is not guilty of any offence against the Act. The proposed amendment will remedy this situation. At present the Act does not require licensees to disclose any interest they may hold in property they are advertising. Quite obviously, in situations where licensees hold an undisclosed interest, they may act in direct competition with the interests of their clients. The proposed amendment will effectively remove the possibility of such a conflict occurring by requiring licensees to disclose in advertisements any interest they have in the property, be it real or personal property.

Another amendment relates to the maximum claim that may be made against the fidelity guarantee fund. The assets of the fund have grown to about \$2.58 million. Claims against the fund have averaged only \$50,000 over the past five years. The maximum amount claimable is \$50,000 in relation to misappropriation by any one licensee, which in the light of the existing economic climate is totally unrealistic. Honourable members will recall the recent case of Shamrock Real Estate where, as a result of defalcations by a licensee, 120 clients have lost nearly \$200,000. As the Act now stands the maximum they could recover from the fund is \$50,000, or a mere 25c in the \$. The maximum amount will now be increased to \$200,000 and the new provision made retrospective to September last year to cover the Shamrock case.

At present the Act requires at least 50 per cent of directors of licensed corporations to be individually licensed. Though the purpose of this provision is clear, the requirement loses its significance when the licensed corporation is a subsidiary of a holding company. Although the Act requires 50 per cent of the directors of the subsidiary company to be licensed, there is no similar requirement on holding company directors. The proposed amendment will allow the Minister to grant exemption from this requirement in appropriate circumstances.

Mr Einfeld]

In making a claim against the fidelity guarantee fund, the claimant must produce evidence of a conviction against the licensee or secure a court order to the effect that a claim may be made. The council has a wide discretion to waive either of these requirements, but it has been reluctant to do so, apparently for fear of legal reprisals. The proposed amendments will ensure that this discretion is unfettered by providing the council with statutory indemnity with respect to possible actions arising from the exercise of this discretion. Finally, the amendments will allow investment of up to 60 per cent of the balance of the fidelity guarantee fund in approved building societies.

I turn now to a detailed examination of the provisions of this bill. Schedule 1 contains a number of amendments of a machinery, consequential or drafting nature. Item (3) provides for the reconstitution of the Council of Auctioneers and Agents. Item (3) (a) increases membership of the Council from thirteen to seventeen. Item (3) (c) provides that of the elected members two shall be members of the Real Estate Salesmen's Association and one a stock and station salesman. Item (3) (d) requires each of the elected representatives of the Real Estate Salesmen's Association to hold a real estate agent's licence or real estate salesmen's certificate. The association must certify that the members were elected by members of the association. Item (3) (i) provides that the full-time chairman and official member will be appointed for the three year term of the Council but each is eligible for reappointment. Item (4) provides for the appointment of the full-time chairman and makes provision for his remuneration and travelling and subsistence allowances.

Item (6) of schedule 1 provides for appointments to casual vacancies in offices of elected members. Appointments will now be made by the Governor on the Minister's recommendation instead of the existing situation where the appointment is made by the council itself. Vacancies in the office of either the chairman or official member will be filled by an appointment of the Governor. In each instance the appointment will cover only the remainder of the existing council's term. Item (7) enables the Minister to fix from time to time the remuneration and allowances payable to council members. This obviates the necessity of introducing a separate regulation on each occasion that adjustments are made. Item (10) inserts a new schedule into the Act. This schedule contains a number of provisions relating to carry-over of superannuation benefits for the full-time chairman as well as making certain provisions for resumption of his previous employment on ceasing to be chairman.

Schedule 2 contains a number of amendments to the Act in relation to licensing. Item (1) introduces two new subsections into the Act. Essentially, these provisions will enable a licence to be issued which is restricted in its operation to a specified region or place or to a specified purpose. Alternatively, the licence may be restricted to a specified region or place for a specified purpose. I now turn to schedule 3 which, in addition to further machinery, drafting and consequential amendments, is the source of a number of significant amendments to the Act. Item (1) relocates the existing definition of real estate dealer. Item (2) enables the Minister to exempt by regulation certain corporate licensees from the requirement that 50 per cent of its directors be individually licensed. Item (3) amends the Act to impose an obligation upon a licensee to disclose any interest he holds as a principal in either real or personal property he advertises.

Item (5) of schedule 3 inserts a new subsection into the Act requiring applicants for registration as real estate dealers to pay the same fees and contribution to the fidelity guarantee fund as licensees. Item (9) inserts two machinery provisions into

the Act prescribing the extent of a real estate dealer's contributions to the fund and the times when these contributions are to be made. Item (11) amends section 73 of the Act by providing a further alternative for investment of fund moneys. The council may now invest up to 60 per cent of its balance in the purchase of shares in a permanent building society registered under the Permanent Building Societies Act, 1967. Item (12) affords the council statutory indemnity in the exercise of its discretion to waive certain requirements upon claimants against the fidelity guarantee fund. Item (13) increases the maximum amount claimable against the fund in respect of the defalcations of any one licensee from \$50,000 to \$200,000. This amendment is retrospective in operation to 1st September, 1977. Item (24) of schedule 3 adds to the regulation making powers given by the Act by providing that rules of conduct to be observed by licence and certificate holders as well as real estate dealers may be prescribed.

Finally, I turn to schedule 4 of the bill, which contains a number of savings and transitional provisions. Item (2) restricts the period of appointment of the initial full-time chairman to the duration of the term of the existing council. Item (3) ensures that the official member, like the chairman, will hold office only for the duration of the term of the present council. As **with** the chairman, the official member **is** eligible for reappointment. Item (4) contains necessary provisions concerning the initial appointment of real estate salesmen and stock and station salesmen representatives. Initially, the Minister will make these appointments for the duration of the term of the present council. Thereafter, representatives will be elected by the members of the association and from the ranks of stock and station salesmen. Schedule 4 contains other amendments of a minor nature.

These amendments will enhance the capacity of the council to regulate practices in an industry that has grown enormously over the years in which the principal Act has been in operation. They have been drawn up after careful evaluation of points of view from employer and employee in the industry and, of course, from the council itself. When I speak of points of view I mean considered and constructive ones. Unfortunately, those are not always the **only** points of view. Honourable members and particularly members of the Opposition, should carefully consider the advice they obtain on the real estate industry from some of those who practise in it. Some of this advice is far from objective and some of it is just **rumour**.

For instance, many people seem to believe a **rumour** going around that the Government intends to limit the commission earned by estate agents. This **rumour** is spreading like a **bushfire**, yet nobody in the industry has had the courtesy or plain commonsense to ask me if it is true or not. In fact, it is not true. The Government has not considered it and does not intend to consider it. I repeat: honourable members would do well to scrutinize carefully all that they are told by the real estate industry about this bill and any other policy of the Government concerning the industry.

This Government has proved by its record and past activity that it is always ready to consult with umbrella organizations in this or any other industry in which it is involved. It does not undertake to accept the opinions of the representatives of industry, nor does it ask industry to accept the opinions of the Government. But the Government is always happy to consult with industry and to answer any questions that may be current in the industry. The Government is warmly appreciative of the co-operation that it has received from senior levels in the industry and of the record of service of members of the council. I commend the **bill** to the House.

Mr Einfeld]

I come now to the Statutory and Other Offices Remuneration (Auctioneers and Agents) Amendment Bill, which is cognate with the Auctioneers and Agents (Amendment) Bill. Its purpose is to provide for the **fixing** of the remuneration of the chairman of the Council of Auctioneers and Agents. The Statutory and Other Offices Remuneration Act is amended by including the position of **chairman** within its provisions. I commend the bill to the House.

Mr DOWD (Lane Cove) [4.47]: I was disappointed that the Minister was not gracious enough to acknowledge the assistance given to him by that very important House of review which gave him the time to consider what he was doing before bringing forward the first of these two cognate bills, the Auctioneers and Agents (Amendment) Bill. As the Minister correctly said, the bill was debated at considerable length when almost the same measure was previously before the House. He has shown some disturbing tendencies towards paranoia in the way he has criticized anyone who dared to be critical of the measure. Despite his use of words such as "this bill largely mirrors the previous legislation" and "very little has become attractive", the fact is that the Minister has amended this bill in the space of eight months since its first introduction here.

Mr Einfeld: That shows how pliable I really am.

Mr DOWD: The Minister acknowledges his pliability, but he became pliable only because he was compelled to acknowledge that it was necessary for the proper House of review to point out to him the errors that he had made in **his** original legislation. The Minister should be concerned that the Government now has a totally compliant and pliable upper House, where the majority of members are not able to carry out their duties of reviewing legislation. He will not now be afforded the assistance that he so obviously needs when introducing legislation. It is unfortunate that proper acknowledgment was not given to the upper House for assisting the Minister to reconsider the bill. However minor the amendments may be, they were amendments that were discussed in this House, and if the Minister had been able to give **sufficient** time to consideration of the bill it would not have been necessary for it to be sent to the other place in the terms in which it went there.

The time allocated by the Government for this debate is somewhat less than proper. The Government has taken a most cynical attitude to a measure that is not the same as that which was previously before the House. If we were debating the same bill as was so ably debated by Opposition members on a former occasion, one could perhaps understand that there might be some need to terminate it. However, this measure relates to an important industry and should not lightly and cynically be pushed through this House. I have circulated amendments that the Opposition proposes to move at the Committee stage in the unlikely event of the Minister's allowing proper debate and the matter reaching that stage.

Mr Mason: It is shameful he does not.

Mr DOWD: It is a disgrace that the Minister cares so little about this industry. During his speech he used those magic words regulate and regulation perhaps half a dozen times. If the honourable member for Campbelltown, who is seeking to interject, does not vote for the gag that **will** be moved soon, he may be able to contribute to the debate. That would be a refreshing change. Although the matters that the Government should consider were debated on a previous occasion, I shall outline them again. The **first** is that the representative on the Council of Auctioneers and Agents ought to be, to use the Minister's own words, fully and truly representative of all sections of the industry. He has chosen a representative of 200 people who happen to belong to an association, in preference to choosing a representative of some 5 **800** people who have

not joined it. The Minister has presented a bill to the House which provides for a representative from a sectional part of the industry. He makes out that the representative is fully and truly a representative of the industry.

Mr Egan: How about the other sectional groups on the council?

Mr DOWD: The Minister knows, like the oncer from Cronulla who is yapping away this afternoon, that if he were frank with the House he would allow, as proposed in the Opposition's amendment, for the real estate salesmen and stock and station agents to elect their own representative. If the Minister were as democratic as he makes out he would ensure that they have the right to have their own representative **and** not the representative of some small group of people who, although they have quite rightly joined an association, do not represent the whole industry. It is unfortunate that not only the real estate salesmen's representative but **also** the stock and station agents' representative is to be elected by this tiny group. It is a fraud for the Minister to use the words fully and truly representative.

I turn now to the other matter that is of particular concern to the Opposition. Notwithstanding the number of complaints that the Minister may have received about the real estate industry, the Opposition submits that no case has been made out for a full-time chairman as proposed by the Minister. Many professional and trade associations elect each year their own chairman, as indeed the democratic process requires. You, Mr Deputy-Speaker, were elected as Chairman of Committees with the support of the whole House. That is the way democracy works. Notwithstanding the Minister's obsession with regulation, this group of responsible members of the community should have the opportunity to elect their own chairman. That is not to detract from whoever the Minister chooses to be the permanent chairman, in the event of the bill passing through the House in its present form.

Mr Einfeld: You apply for the job and I will give it to you. You will not hold your seat for too long.

Mr DOWD: Although the Minister has arranged for the Opposition to be prevented from debating the measure at any length, he wants to embark **on** another second reading speech. One would think that in the short time allowed for debate Government supporters would permit Opposition members to say something about the bill, rather than have the Minister blabber on. The matters that the Opposition consider important, as intimated clearly on the last occasion when the measure was before the House, are first, that no case has been made out for the appointment of a **permanent** chairman. It is nonsense for the Minister to talk about control by the vote of the four new representatives. As the Minister well knows, the everyday business of running the council will be carried on by the chairman, who is not democratically elected as the leader of that council. For that reason he cannot speak for it. Inevitably, in some situations he must state his own view or what he thinks the Government that appointed **him** wants to say. This provision is an affront to a calling that has a far smaller proportion of defalcations than many other professions or callings that may be held in high esteem—or in low esteem by some people—in our community.

I was most concerned to hear the Minister talk about the bill bringing about a long overdue comprehensive review that will be undertaken. The Minister has been in **office** for two and a half years and if he wanted a comprehensive review he should have arranged for it to be done and brought the result before the House. To say that the bill will pave the way for the review is so much twaddle. It is unfortunate that the Minister seeks to regulate further this **important** industry in our community. The bill

is merely an exercise in control, whether *de facto*, legal, indirect or any other way. The Minister knows only too well that a chairman appointed by him must obviously take more notice of what the Minister says than a chairman elected democratically by the representatives of this organization.

The amendments that the Opposition considers ought to be incorporated in the bill would ensure that a fully and truly representative council of the real estate agents and the stock and station agents, rather than a sectional group, will represent their industry. The Opposition considers also that the fixing of the age of 70 years for retirement is an offensive provision. I know that the Minister is most conscious of the age at which people have to retire. It is a slur on the ability of a person who has reached those years of discretion that there should be some artificial rule that he be thrown out of office. Honourable members know that Ministers in this House who come within the range of three score years and ten have served their ministries most ably. Although the community must now accept some restrictions, the Opposition does not consider that 70 years is the appropriate age at which there should be a restriction. Some political parties insist that permission be sought before their members are re-endorsed if they will reach a certain age during their time in Parliament. That is offensive to the ability of those who are within that range. The Opposition considers that a case has not been made out for this artificial restriction. At the Committee stage it will move that the age be 72 years instead of 70 years.

Mr Egan: Is not that just as artificial?

Mr DOWD: Of course it is artificial. In our community we have to live with artificial distinctions. If the honourable member for Cronulla knew something about the council he would realize how many of its members are involved. It is not like High Court judges, where no one is within cooe of being under 70 years of age. We are dealing with specific members. The honourable member should find out the facts. Unfortunately the Minister will not give him an opportunity to join in the debate because it will be terminated.

The other matter which the Opposition considers of most importance is that the present council should be able to complete its term. A general election in mid-1979 should be held for a new council, and the bill should not take effect until after that time. The Opposition has noticed the changes that the Minister has adopted in the bill following the debate that occurred both in this House and in another place. The Opposition supports the amendment to provide for one stock and station agent on the council and would have thought that the Minister would have expressed his gratitude for the assistance granted in correcting that area of the bill. The Opposition has noted also the change about partners in a firm of auctioneers to be licensed.

The Opposition notes that in item (2) of schedule 3 the Minister suggests that exemptions may be granted. The Opposition proposes an amendment that the council should recommend matters for exemption. The Minister wants to attract too much power to himself. He should rely on the council elected by the organization. This measure is an attack on the integrity of members of the council. If the Minister were subject to the same sort of regulation to which the industry is to be subjected, he would have some real causes for concern. This is the second measure that has been brought before the House by the Minister in which policing, control and regulation are the keynotes.

It is a matter for real concern that, though important matters are being introduced by the bill—and in some cases they are supported by the Opposition—the Minister should take the opportunity to say that the only way he can regulate the

industry—which probably needs regulation much less than many areas with which the Minister is concerned in other parts of his **portfolio**—is by putting in the Minister's own full-time chairman. Honourable members should look at the cost **involved**. Chairmen of various professional associations and callings give of their time freely. In both branches of the legal profession, and in various groups within the medical profession and in other associations throughout the community, people volunteer their **skills**. In this matter the Minister is attacking the democratic principle about which his own party talks so much. The Opposition wants the Minister to acknowledge that there is a proper place for the council to elect its own chairman and to make sure that the Minister does not represent this industry group.

People in New South Wales are concerned about the downturn in the housing industry and the real effect it has on the people being regulated by this bill. The Government has done nothing to stimulate the housing industry and this related industry. A bleak future is ahead for those who have served so well in this industry. The Government has an obligation to avoid bringing in regulatory legislation such as this for it takes away some of the rights of the members of this industry to regulate themselves.

This will be one of the last bills by which the importance of an independent House of review can be underlined. The Opposition will look with interest at the performance of the other place to see whether its members can assist the Minister in the same way as the upper House in the previous Parliament was able to do. Even though the Minister tried to gloss it over, he really acknowledged the importance of the amendments that were proposed here and in the other place. The House should acknowledge the matters that have been incorporated in the measure after being raised by the Opposition. One would have thought that the Minister would have been a little more gracious about it, but he sees fit to be rather churlish in the way he brushes aside those important matters.

The Opposition is disappointed that the Minister should treat the industry in such a cavalier fashion by allowing a short time for the debate. In the event of the debate being gagged, the Opposition hopes that Labor Party members who support the gag will go back to real estate agents and businessmen in their electorates, to whom they look for support at election time, and explain why the Labor Party cared so little about the measure that it allowed less than an hour for the debate. I ask other members who wish to contribute to the debate, which may be terminated in accordance with the indication given by the Attorney-General and Minister of Justice on behalf of the Premier, to remind their constituents that the Minister forced through the House a measure that is of such importance to a vital segment of industry in New South Wales.

Mr McDONALD: Mr Speaker——

Mr FLAHERTY (Granville), Government Whip [5.7]: I move:

That the question be now put (S.O. 175B).

[In Division]

[Interruption]

Mr SPEAKER: Order! I remind the Leader of the Opposition that the standing orders are just as applicable during divisions as they are during any other proceedings of the House.

The House divided.

Ayes, 61

Mr Akister	Mr Flaherty	Mr O'Neill
Mr Anderson	Mr Gabb	Mr Paciullo
Mr Bannon	Mr Gordon	Mr Quinn
Mr Barnier	Mr Haigh	Mr Ramsay
Mr Bedford	Mr Hills	Mr Renshaw
Mr Booth	Mr Hunter	Mr Robb
Mr Brereton	Mr Jackson	Mr Rogan
Mr Britt	Mr Jensen	Mr Ryan
Mr R. J. Brown	Mr Johnson	Mr Sheahan
Mr Cahill	Mr Johnstone	Mr A. G. Stewart
Mr Cavalier	Mr Jones	Mr K. J. Stewart
Mr Cleary	Mr Keane	Mr Wade
Mr Cox	Mr Kearns	Mr Walker
Mr Crabtree	Mr Knott	Mr Webster
Mr Day	Mr McCarthy	Mr Whelan
Mr Degen	Mr McGowan	Mr Wilde
Mr Durick	Mr McIlwaine	Mr Wran
Mr Egan	Mr Maher	
Mr Einfeld	Mr Mair	<i>Tellers,</i>
Mr Face	Mr Mallam	Mr R. J. Clough
Mr Ferguson	Mr Mulock	Mr O'Connell

Noes, 36

Mr Arblaster	Mr Fisher	Mr Pickard
Mr Barraclough	Mrs Foot	Mr Punch
Mr Boyd	Mr Freudenstein	Mr Rozzoli
Mr Brewer	Mr Hatton	Mr Schipp
Mr J. H. Brown	Mr Healey	Mr Singleton
Mr Bruxner	Mr McDonald	Mr Smith
Mr Cameron	Mr Maddison	Mr Taylor
Mr Caterson	Mr Mason	Mr West
Mr J. A. Clough	Mrs Meillon	
Mr Cowan	Mr Morris	
Mr Dowd	Mr Murray	<i>Tellers,</i>
Mr Duncan	Mr Osborne	Mr Moore
Mr Fischer	Mr Park	Mr Wotton

Resolved in the affirmative.

Question—That these bills be now read a second time—put.

The House divided.

Ayes, 62

Mr Akister	Mr R. J. Brown	Mr Degen
Mr Anderson	Mr Cahill	Mr Durick
Mr Bannon	Mr Cavalier	Mr Egan
Mr Barnier	Mr Cleary	Mr Einfeld
Mr Bedford	Mr R. J. Clough	Mr Face
Mr Booth	Mr Cox	Mr Ferguson
Mr Brereton	Mr Crabtree	Mr Flaherty
Mr Britt	Mr Day	Mr Gabb

Mr Gordon	Mr McCarthy	Mr Robb
Mr Haigh	Mr McGowan	Mr Rogan
Mr Hatton	Mr McIlwaine	Mr Sheahan
Mr Hills	Mr Maher	Mr A. G. Stewart
Mr Hunter	Mr Mair	Mr K. J. Stewart
Mr Jackson	Mr Mallam	Mr Wade
Mr Jensen	Mr Mulock	Mr Walker
Mr Johnson	Mr O'Connell	Mr Webster
Mr Johnstone	Mr O'Neill	Mr Wilde
Mr Jones	Mr Paciullo	Mr Wran
Mr Keane	Mr Quinn	<i>Tellers,</i>
Mr Kearns	Mr Ramsay	Mr Ryan
Mr Knott	Mr Renshaw	Mr Whelan

Noes, 35

Mr Arblaster	Mr Fischer	Mr Osborne
Mr Barraclough	Mr Fisher	Mr Park
Mr Boyd	Mrs Foot	Mr Punch
Mr Brewer	Mr Freudenstein	Mr Rozzoli
Mr J. H. Brown	Mr Healey	Mr Schipp
Mr Bruxner	Mr McDonald	Mr Smith
Mr Cameron	Mr Maddison	Mr Taylor
Mr Caterson	Mr Mason	Mr West
Mr J. A. Clough	Mrs Meillon	Mr Wotton
Mr Cowan	Mr Moore	<i>Tellers,</i>
Mr Dowd	Mr Morris	Mr Pickard
Mr Duncan	Mr Murray	Mr Singleton

Question so resolved in the affirmative.

Bills read a second time together.

In Committee

The CHAIRMAN: Order! Auctioneers and Agents (Amendment) Bill. The question, That the question be now put under Standing Order 175B having been agreed to in the House for the second reading, Committee and report stages, adoption of report and third reading, the question now is, That clauses 1 to 6 and schedules 1 to 4 stand part of the bill.

The Committee divided.

Ayes, 61

Mr Akister	Mr Day	Mr Hunter
Mr Bannon	Mr Degen	Mr Jackson
Mr Barnier	Mr Durick	Mr Jensen
Mr Bedford	Mr Egan	Mr Johnson
Mr Booth	Mr Einfeld	Mr Johnstone
Mr Brereton	Mr Face	Mr Jones
Mr Britt	Mr Ferguson	Mr Keane
Mr R. J. Brown	Mr Flaherty	Mr Kearns
Mr Cavalier	Mr Gabb	Mr Knott
Mr Cleary	Mr Gordon	Mr McCarthy
Mr R. J. Clough	Mr Haigh	Mr McGowan
Mr Cox	Mr Hatton	Mr McIlwaine
Mr Crabtree	Mr Hills	Mr Maher

Mr Mair	Mr Robb	Mr Webster
Mr Mallam	Mr Rogan	Mr Whelan
Mr Mulock	Mr Ryan	Mr Wilde
Mr O'Connell	Mr Sheahan	Mr Wran
Mr O'Neill	Mr A. G. Stewart	
Mr Paciullo	Mr K. J. Stewart	<i>Tellers,</i>
Mr Ramsay	Mr Wade	Mr Anderson
Mr Renshaw	Mr Walker	Mr Quinn

Noes, **35**

Mr Arblaster	Mrs Foot	Mr Pickard
Mr Barraclough	Mr Freudenstein	Mr Punch
Mr Brewer	Mr Healey	Mr Rozzoli
Mr J. H. Brown	Mr McDonald	Mr Schipp
Mr Bruxner	Mr Maddison	Mr Singleton
Mr Cameron	Mr Mason	Mr Smith
Mr Caterson	Mrs Meillon	Mr Taylor
Mr J. A. Clough	Mr Moore	Mr West
Mr Cowan	Mr Morris	Mr Wotton
Mr Dowd	Mr Murray	<i>Tellers</i>
Mr Duncan	Mr Osborne	Mr Boyd
Mr Fisher	Mr Park	Mr Fischer

Question so resolved in the affirmative.

Clauses 1 to 6 and schedules 1 to 4 agreed to.

The CHAIRMAN: Order! Statutory and Other Offices Remuneration (Auctioneers and Agents) Amendment Bill. The question, that the question be now put under Standing Order 175B having been agreed to in the House for the second reading, Committee and report stages, adoption of report and third reading, the question now is, That clauses 1 to 3 stand part of the bill.

Clauses 1 to 3 agreed to.

Adoption of **Report**

Bills reported from Committee without amendment, and report adopted.

Third Reading

Bills read a third time together.

PAY-ROLL TAX (AMENDMENT) BILL

Second Reading

Mr RENSHAW (Castlereagh), Treasurer [5.29]: I move:

That this bill be now read a second time.

The terms of this bill give effect to the measures announced in the Budget designed to be of assistance to the economy generally and to small businesses in particular.

An increase of 10 per cent is proposed in the general exemption and tapered scale concession. Employers with payrolls of less than \$60,000 are not liable to payroll tax and the tapered concession scale reduces the tax payable on annual payrolls above that figure until the sum exceeds **\$150,000**. As a result of the changes proposed in the bill, employers with annual payrolls not exceeding \$66,000 will now be fully exempt from the tax. Above this amount the tapered concession scale will apply which means that the \$66,000 will be reduced on a \$2-for-\$3 basis until it cuts out where the annual payroll exceeds \$165,000. It is anticipated that a further 725 companies will benefit from the increase in the general exemption and 9 100 will pay less as a result of the lift in the tapered scale concession.

The Government has a particularly good record in regard to payroll tax concessions. Each year the general small business concession has been raised by more than the rate of inflation, thus preserving its value in real money terms. In 1976 when the Government came to office the exemption level stood at \$41,600 with a tapered concession scale cutting out at \$104,000. With the 10 per cent increase now proposed the general concession has been raised by 59 per cent, nearly double ~~the~~ increase in the consumer price index and average wages over the period after allowing for estimated movements in 1978–79. The Government has introduced other important concessions, the major one being the country industries payroll tax rebate scheme, which grants significant relief to certain manufacturers established in country areas.

I turn now to the bill. Schedule 1, except for item (4), contains the amendments necessary to the principal Act to give effect to the new concession levels. Item (4) is a machinery measure designed to improve the administration of the Act by eliminating the need for the commissioner to issue a special notice for an annual return to taxpayers paying on a monthly basis. **A** taxpayer paying on a monthly return basis is required to submit an annual return to enable a comparison to be made between his total **tax** payments and the tax assessed on the total wages paid during the year. The information is incorporated in the monthly return for June, which serves as the annual return.

As the **Act** now stands, the Commissioner of Pay-roll **Tax** has to send a special notice to each taxpayer requesting lodgement of the June return which has the annual figures. Taxpayers receive a pad from the commissioner containing blank returns for each month of the year July to May. The June return is not included as it is the subject of the special notice. The amendments will enable the inclusion of the June return **in** this pad. This will result in a saving in administrative and postal costs without inconveniencing the taxpayer. In conclusion I should like to stress that the Government's decision again to increase payroll tax concessions by more than the inflation rate demonstrates its intention to continue to provide relief to the business community where it is most needed and within limits consistent with prudent financial management. I commend the bill to the House.

Mr McDONALD (Kirribilli), Deputy Leader of the Opposition [5.33]: The bill is more than a minor statutory amendment; it is a statement of the Government's appalling lack of concern for the unemployed. It is an expression of the Government's utter disregard for economic recovery in New South Wales and a reminder, if one were needed, that the Government is totally unaware that Australia is in the grip of the worst economic recession since the 1930's. It is all of these things because it says nothing and it will do nothing to generate employment or to stimulate economic recovery. Although the bill deals with the largest source of State revenue and relates directly to employment and business profitability, it contains no indication that unemployment in New South Wales has risen and business activity has declined.

Let there be no talk in euphemisms; let us call a spade a spade. Payroll tax really means a tax on jobs. When the Minister speaks of payroll tax being 5 per cent he really means that the wages of twenty-one employees must be paid for every twenty who are actually employed. When he speaks of payroll tax revenue for the year being \$682 million he is talking about the equivalent in wages to employ an additional 60000 persons on current average weekly earnings. That means an additional 60000 jobs at no additional wage and salary cost to employers. When there is talk about a payroll tax it is talk about a discriminatory tax that is imposed on locally manufactured products, thereby reducing the competitiveness at home **and** abroad of locally produced products with foreign produced products. It takes no account of the equity principle in taxation, that is, the employer's ability to pay. We are really talking about an inflationary tax, because it is a multiplier in determining a number of commodity prices. Not only does payroll tax sustain an inflation rate; because it is based on wages which are a high growth factor it also has the cumulative effect of entering the cost structure and hence the price structure many times over.

Despite these obvious disadvantages, it must be acknowledged that payroll tax is one of the few growth taxes constitutionally available to the States and it must be used by the States, if only because they do not have any other options. Nevertheless, payroll tax must be used with prudence and caution. Rates of payroll tax and scales of exemption must be set at levels related to the state of the economy and likely to produce the most desirable effect, given the economic circumstances of the time. Measured by that standard, the bill is an abject failure. The Government had an opportunity to give employment its biggest boost in years; it had the opportunity to encourage the creation of new jobs in the private sector at negligible cost to employers; it had the opportunity to give selective stimulus to employment, particularly in the skilled trades, for example, by waiving payroll tax in respect of new apprentices. The Government had the opportunity to make a unique contribution to economic recovery in New South Wales. **All** of these opportunities were available through prudent management of payroll tax policies.

There is no suggestion in the bill that payroll tax might be used to **grasp** these opportunities. There is no indication that the Treasurer was even aware of the problems of the State, or aware of the benefits that would result from a reduction in payroll tax. Either he does not know that there are 130 000 unemployed **in** New South Wales or he does not have the economic wit to know that substantial payroll tax concessions could put many of them back into employment. The bill is useless in the 'present economic **climate**. The Government's policy on this tax is **so** counter-productive to economic recovery that even if the Treasurer had not introduced legislation to alter payroll tax rates, the effect could not be worse than measures prescribed in the bill. His solution to unemployment is to increase payroll tax revenue by an estimated \$39 million this financial year—to increase it by 6.1 per cent which is the approximate rate of inflation this financial year. The bill is consistent with the Government's shameful record in relation to employment and in particular to youth employment. In last year's Financial Statement the Treasurer said:

We have . . . decided to grant New **South** Wales employers a full rebate of payroll tax on the wages paid to young people during their first year of employment. An amount of \$10 million has been reserved to meet the initial cost of this scheme.

The effectiveness of that programme is shown in this year's report by the Auditor-General. Payroll tax rebates in the past financial year amounted to only **\$21,655** of that **\$10** million special allocation, or a mere **2.1** per cent of the allocation promised by the Treasurer. That promise of **\$10** million in October **1977** was to cover the initial stages only of the programme. By clear implication the Treasurer led the House and the State to believe that the **\$10** million would be the first of many **such** allocations.

Yesterday when asked about this scheme the Minister for Industrial Relations, Minister for Technology and Minister for Energy said, "Funds were reserved but the scheme was not as successful as the Government hoped it would be." That was a lamentable statement of account and an understatement. In fact, the scheme was a disastrous failure. The **\$21,655** spent on the programme was a pittance when compared with the amount promised. Clearly this is yet another outright breach of faith by this Government. Further, there has been no explanation of what happened to the unused or unspent **\$9.9** million. The mythical **\$10** million for payroll tax concessions was not the only measure in last year's Budget that the Government heralded as a panacea for unemployment. Although there was an allocation of **\$15** million to the Housing Commission for additional homebuilding, the Auditor-General's Report shows that **\$2.5** million is still unaccounted for.

The third illusory scheme that was part of the **\$33** million package to relieve unemployment was a special allocation of **\$8** million for work to be carried out by councils where there is heavy unemployment. The Auditor-General's Report at page **129** proves that it, too, was a failure. An amount of **\$1.8** million went to the urban areas of Sydney, Newcastle and Wollongong, which have over **70 000** unemployed persons. The total allocation in the same programme for country areas was **\$1.56** million, with no indication of the specific areas in which it was spent or of the projects that it funded. So the total amount still unaccounted for and still unspent for the local council assistance scheme is **\$4.7** million. One does not need to be Einstein to know that of the three employment initiatives in last year's Budget a total of **\$17.1** million remained unspent at 30th June.

Earlier today the Premier when answering a question by **one** of his supporters delivered a barefaced deception when he said that the Government had approved new programmes that will cost over **\$17** million for the next twelve months. His unmistakable intention was to create the impression that the **\$17** million programme was a new allocation. That is an outright deception. The money announced today is nothing more than the money that was left unspent from last year. Today's statement by the Premier includes no new commitment on behalf of the Government but, consistent with the Premier's behaviour, it will be represented by him as a new commitment. I repeat, the **\$17** million is a belated gesture to meet last year's commitment. The only new matter that came up in the Treasurer's speech earlier this year in relation to youth unemployment was the **\$1,098,000** which is provided by the special youth employment training scheme. We are expected to believe from the Premier's statement that he is doing great things in that area of employment. The Opposition and the public want to know the details of this year's commitment.

To add insult to injury, the Premier today announced programmes which, by the Government's own admission, were unsuccessful last year. Although he announced training programmes for secretaries and apprentices, he did not specify which trades. He made no statement at all about vacancies in the work force for these people, or of any government initiatives that will create those vacancies. He had absolutely

Mr McDonald]

nothing to say about fiscal measures, such as substantially reduced payroll tax, reduced government charges or regional concessions, which would reduce the burden on the private sector and thereby encourage employment throughout the State. Not one word **was** said about providing financial inducement to employers to take on new **staff**. Instead we have this half-baked, in fact callous, scheme which plays with the aspirations of young people, encourages them to seek and gain specialized training, but then does nothing to provide them with jobs to use their skills.

The Premier was telling the House that there is nothing he can do about the unemployed. The Government's record and his record in the last financial year proved that. He has decided that if the unemployed are here to stay, it is better that they should be idle and skilled, rather than unskilled. The Government's policy of relieving unemployment, of which the Premier's statement and this bill are **essential** components, is totally unacceptable to the Opposition. The Government's passive emphasis on assisting young people to find jobs that do not exist must be replaced by an active, unrelenting programme to create jobs. Payroll tax concessions can assist in creating those jobs, yet in this financial year payroll revenue will increase by \$39 million or 6.1 per cent.

In other words, despite the chronic problems of unemployment and recession, and the self-evident improvements that would flow from substantial cuts in payroll tax, the bill offers no real reduction in the burden of this tax. It offers no promise at **all** of a brighter future for New South Wales in the year ahead. It offers no relief for employers and no comfort for the unemployed. It offers no indication that this Government is even aware of the State's economic problems, and **still** less that it is willing to tackle **them**. According to the Treasurer's own figures as presented in the Budget Papers, it provides for a concession in payroll tax revenue of only \$2 **million**—only 0.29 per cent of a total \$682 million to be collected this year.

I turn now to the **details** of the bill. To illustrate the fraudulence of this so-called tax cut I shall cite actual examples. At the lower end of the tapering provisions total exemption from payroll tax is to be extended to payrolls of \$66,000 per annum. This is an increase of \$6,000 in the level at which maximum exemption is available at present. At the upper end of the tapering provisions **minimum** exemption is to be lifted from \$150,000 to \$165,000. Within the tapering range exemption **will** continue to be calculated at the rate of \$2 for every additional \$3 in payroll.

In practical terms, the increase of \$6,000 for maximum exemption will be of benefit to few, if indeed any, employers. It will allow small businessmen to employ only one extra tax-free employee and even then that employee must, of necessity, be an inexperienced junior whose salary does not exceed \$6,000. **As** for larger employers who qualify for partial exemption under the tapering provisions, this adjustment to the lower end of the scale reduces the tax burden by a mere \$500 on fixed payroll amounts and does nothing at all for businessmen whose wage costs rise with indexation.

I give the House an actual example. Under the earlier exemption provisions, an employer whose annual payroll was \$99,000 paid \$3,250 in payroll tax. If one follows the calculation, the result is rather interesting. The \$99,000 exceeds the former maximum exemption level of **\$60,000** by \$39,000. In other words, it exceeds \$60,000 by 13 000 multiples of \$3. **Exemption** is calculated on the basis of \$2 for each multiple of \$3. In this case it is multiplied by 13 000, giving \$26,000. This amount of \$26,000 must then be **subtracted** from the maximum exemption level of \$60,000 to determine

the total amount by which the payroll is to be reduced for taxing purposes. Therefore, we have \$60,000 less \$26,000, which is \$34,000. The amount on which tax **must** be paid is \$99,000 less \$34,000, which is \$65,000. Tax is then paid on \$65,000 at the rate of 5 per cent, **giving** a total payroll tax liability of \$3,250.

Using the tapering scales that are in the bill, however, a total payroll of \$99,000 will now attract payroll of \$2,750, which is a reduction of only \$500 a year or \$9.60 per week. Similarly, an employer whose **annual** payroll is \$150,000 paid \$7,500 in payroll tax under the old exemption provisions. Now he will pay \$7,000, again a reduction of \$500 per annum or \$9.60 a week. Not only is that the most meagre reduction imaginable, one that is hardly large enough to cover the increased costs imposed upon business by this Government, but also the reductions are not even passed on to the same employers.

A businessman who twelve months ago paid \$99,000 a year in total salaries and wages would today be paying approximately \$107,700 if he had retained the same number of **staff**. Indeed, he would now be paying even more than this amount if, in addition to indexation adjustments, any of his staff had qualified for **annual** increments in salary. But let me take the conservative figure, the one that allows only for wage rises in line with the rise in average weekly earnings in the past year. The fact is that this same employer who paid \$3,250 in payroll tax twelve months ago will now be required to pay \$3,475. In other words, he must now pay \$225 more than he did a year ago—and that is after making allowance for the new exemption levels that are expressed in this bill. So much for the big tax concessions. They are a myth and an illusion. They are a public relations exercise, entirely inconsistent with the facts, because right along the line employers who retain the same number of staff will now pay more in payroll tax than they did under the previous exemption levels.

It follows that in a declining economy employers on fixed capital resources will this year have less capital to invest in job expansion than they had last year. And that means, at best, sustained levels of unemployment, and at worst, further unemployment. That is how conducive this bill—indeed the Government's entire taxation policy—is to job creation. It is a policy totally unsympathetic, totally inactive and indeed one would think totally unaware of the enormity of the social and economic problems facing New South Wales. What is even worse is that the bill completely fails to bring New South Wales into line with the payroll tax exemption provisions of the majority of the other States. Neither the bill nor the Treasurer's second reading speech gives even a hint that New South Wales is out of kilter with the rest of Australia and that, as a result, new industry is deterred from investing in this State because payroll tax is so much higher here than elsewhere.

Mr Walker: Garbage.

Mr **McDONALD**: For the information of the Attorney-General, since he describes it as garbage, I shall give the House the facts. In South Australia from the beginning **of** this financial year and in Victoria from the 1st **January** next the maximum payroll tax exemption level is \$66,000, which is the same as the provision contained in the bill. At the upper limit of the tapering scale in both Victoria and South Australia the minimum exemption level is fixed at \$120,450, which is less than the provision contained in this bill. The third factor, the rate of exemption, is \$2 for every \$3 as is already the case in New South Wales. So if we look at the range of

partially exempt payroll totals—and we look no further—it appears that the exemption provisions are more generous in New South Wales than in either Victoria or South Australia.

But to look that far and no farther ignores two more guidelines that are of critical importance. The first of these is the exemption allowed on payrolls which exceed the upper end of the tapered scale, that is, payrolls which are larger than **\$165,000** in New South Wales and larger than \$120,450 in South Australia and Victoria. Let me hasten to add that should those amounts sound very large, they represent only fourteen employees a firm in New South Wales based on average weekly earnings and only ten employees a firm in each of the other two States. In this State any company whose payroll exceeds \$165,000 is granted no exemption at all. It must pay 5 per cent on the total annual amount. In South Australia and Victoria, however, payrolls larger than the minimum exemption level, regardless of how much larger, are granted a flat exemption of \$29,700. Similarly, Western Australian payrolls larger than \$109,500 and Queensland payrolls larger than **\$164,000** both attract a flat exemption of **\$27,000**.

In other words, larger firms in this State must invariably pay higher amounts of payroll tax than their equivalents in all other States except Tasmania. On a total **annual** payroll of **\$200,000**, for example, a New South Wales employer must pay tax on the full amount. But in Victoria and South Australia the same employer pays tax on only **\$170,300** and in Queensland and Western Australia he pays tax on only **\$173,000**. In this State his tax will be a full **\$10,000**. In Victoria and South Australia it will be \$8,515 or 17.4 per cent less than in New South Wales. In Western Australia and Queensland it will be \$8,650 or 15.6 per cent less than in New South Wales.

Naturally, the gap narrows as payrolls increase but it never disappears completely. On total annual payrolls of \$1 million, for example, payroll tax in New South Wales is \$50,000. In Victoria and South Australia it is \$48,515 or 3 per cent less. In Western Australia and Queensland it is \$48,650 or 2.77 per cent less. To illustrate these differences at all levels I have prepared a table of tax liability on a wide range of payroll amounts. To save the time of the House and with the consent of the Treasurer, I seek leave to have this table incorporated in *Hansard* without reading it.

Leave granted. [*See Addendum, page 1072.1*]

The undeniable fact is that any company employing more than **fifteen** or sixteen persons must pay more payroll tax in New South Wales than in any other mainland State of Australia. For that reason alone, not to mention the higher levels of government charges or the excessive government regulations that constrict enterprise in this State, business is deterred from investing in New South Wales. When proposals like this bill are an open invitation to business to invest elsewhere, such as in Queensland, is it any wonder that we have the highest number of unemployed in the nation and rapidly falling levels of investment? If we look at companies operating in more than one State, the relative position of New South Wales becomes still worse. Under the interstate exemption provisions of this bill, a company whose total Australian payroll exceeds \$165,000 is ineligible to receive any exemption in New South Wales, regardless of the proportion of total payroll paid to New South Wales employees. But in every other mainland State exemptions for companies operating in more than one State are calculated on the proportion of total Australian salary which is paid in that State. Let me give an example.

[*Mr Speaker left the chair at 6 p.m. The House resumed at 7.30 p.m.*]

PAYROLL TAX LIABILITY ON COMPANIES OPERATING WITHIN ONE STATE ONLY

Annual Payroll	N.S.W.	Victoria	Queensland	South Australia	Western Australia	Tasmania
\$						
0-60,000	0	0	No Tax Payable	0	2,717	2,717
65,000	2,833	2,833	0	2,833	3,333	3,333
100,000	4,917	4,756	0	4,765	4,900	5,417
125,000	7,000	6,015	3,125	6,015	6,150	7,500
150,000	8,167	6,715	6,825	6,715	6,850	8,200
164,000	8,750	7,265	7,400	7,265	7,400	8,750
175,000	10,000	8,515	8,650	8,515	8,650	10,000
200,000	20,000	18,515	18,650	18,515	18,650	20,000
400,000	30,000	28,515	28,650	28,515	28,650	30,000
600,000	40,000	38,515	38,650	38,515	38,650	40,000
800,000	50,000	48,515	48,650	48,515	48,650	50,000
1,000,000	500,000	498,515	498,650	498,515	498,650	500,000
10,000,000						

Payroll-Tax Tapering Provisions—

N.S.W.: Tapered Range: \$66,000 to \$165,000. Tax exemption reduced by \$2 for each additional \$3 in payroll. No exemption is available beyond the range.

Victoria and South Australia: Range: \$66,000 to \$120,000. Tax exemption reduced by \$2 for each additional \$3 in payroll with flat exemption of \$29,700 on sums beyond the range.

Queensland: Range: \$125,000 to \$164,200. Tax exemption reduced by \$5 for each additional \$2 in payroll with flat exemption of \$27,000 on sums beyond the range.

Western Australia: Range: \$60,000 to \$109,500. Tax exemption reduces by \$2 for each additional \$3 in payroll with flat exemption of \$27,000 on sums beyond the range.

Tasmania: Range: \$60,000 to \$150,000. Tax exemption reduces by \$2 for each additional \$3 in payroll. No exemption is available beyond the range.

Mr McDONALD: Mr Speaker, when the House rose for dinner I was referring to the companies that operate in more than one State, and I was inviting attention to the relative treatment of these companies in New South Wales and the other States. I shall give an example. Suppose that the company XYZ, whose head office is in Brisbane, also has a small branch in Sydney. Suppose, also, that the respective annual payrolls of the offices are \$500,000 in Brisbane and \$120,000 in Sydney, giving this company a total Australian payroll of \$620,000 per annum. Ordinarily, the \$120,000 paid to New South Wales employees would qualify for a level of exemption because it falls within the tapering limits. However, in this case, because the total Australian payroll exceeds the New South Wales upper limit of \$165,000, the locally paid salary of \$120,000 does not qualify for one cent of exemption. The \$120,000 is taxed at full tote odds, resulting in a liability of \$6,000 to be paid to the New South Wales Government.

I shall now reverse the example. Suppose that the head office with a payroll of \$500,000 is based in Sydney and the smaller branch office with a payroll of \$120,000 is located in Brisbane. The Queensland Tax Office calculates the proportion of total Australian payroll that is paid in Brisbane, which in this case is in the proportion of 6:31, and then exempts the Queensland payroll by the same proportion of the flat exemption of \$27,000. In other words, tax is paid not on \$120,000 but on \$114,774 and as a result, the total tax liability in Queensland is \$5,739, which is \$261 or 4.5 per cent less than the tax payable in New South Wales.

I assure honourable members, lest they think Queensland is in some way unique, that the same disgraceful differentials exist between New South Wales and all other mainland States. If I transpose precisely the same figures, the ones that produce a \$6,000 tax liability in New South Wales, I find that equivalent tax commitments in the other States are: In Western Australia, \$261 less than in New South Wales; and in Victoria and South Australia, \$287 less than in New South Wales.

Whichever way they are examined, the figures show incontrovertibly that New South Wales has the most punishing payroll tax system of all mainland States. Without doubt New South Wales offers least in the form of payroll tax exemptions to companies employing more than fifteen or sixteen employees; without doubt New South Wales offers least to the company operating in several States; and without doubt this miserable little bill does absolutely nothing to improve our relative position among the States. It does nothing to promote investment in New South Wales; it does nothing to create employment, notwithstanding that payroll tax is a major instrument that can be used for just this purpose; and it does nothing to give encouragement to this State's prospects of economic recovery.

This miserable little bill is miserly and niggardly. It reflects the Treasurer's lick-penny approach to budgeting and the entire Government's indifference to unemployment and economic recovery. I and the Opposition believe that, if the Treasurer had one ounce of concern for the unemployed in New South Wales—no doubt he has but he has not reflected it in this bill—and one skerrick of regard for his own reputation as the State's chief financial officer, he would withdraw the bill and submit a proposal for substantial cuts in payroll tax. No doubt he has some concern for the unemployed but he has not reflected it in the bill. He should fulfil his Budget promise to encourage investment, and should submit a proposal for substantial cuts in payroll tax which just might get this State moving again.

Mr R. J. BROWN (Cessnock) [7.35]: In speaking during this debate it had been my intention to keep my remarks to a minimum. I shall still attempt to do that, but as the result of the self-eulogy and the declaration of personal aggrandisement just given by the Deputy Leader of the Opposition, I think it is most important that we place on

permanent record not only the record of this Government and the previous Wran Government but also the performance of the parties in Opposition, who parade and perform. I want to put these facts on the permanent record *so* that the people will be able to compare the contributions and the relative performances of the Labor Government and the coalition parties when they were in office.

The purpose of the bill is to give legislative effect to the provision in the Budget for a further payroll tax concession as a means of reducing costs and stimulating production, investment and employment in the private sector. The payroll tax exemption level will be raised by 10 per cent so that employers with payrolls below \$66,000 a year will be totally exempt from payroll tax and partial exemptions will apply to employers with payrolls below \$165,000. These provisions do, of course, represent a serious and genuine approach by the Minister and by the Government to the undertakings that were given by the Premier prior to the election at which the people of this State overwhelmingly endorsed Labor's policies.

In my contribution to the Budget debate I referred to the incredible fact that the States, which are much less financially equipped in the area of economic management, have been forced to try to fill the gap of socially responsible economic management. This gap, of course, has been created by the retreat of the federal Government from its responsibilities and its abandonment of any real attempt to create employment opportunities and encourage an economic climate that might get people back into jobs. That is what this legislation is all about. While I am concerned about the possible effectiveness of State-sponsored schemes directed towards employment generation, the success of the previous Labor Government indicates that they can at least partially fill the void and they can be effective.

The Government is trying to counter the determined efforts of the federal Government to achieve its objectives at the expense of the unemployed, and at the expense of the lost generation of young Australians, some of whom will never obtain employment and experience the dignity associated with being useful members of society. That is what will happen so long as the present federal Government persists with its disgraceful and indefensible approach to this problem. But what a remarkable and enlightening contrast between the Fraser Government's Budget, which provided massive handouts of about \$850 million in investment allowances, the effect of which will be to replace men with machines, thus exacerbating unemployment, and this approach by the Wran Labor Government which is designed to encourage employment.

Although payroll tax is unpopular, it is not an area that any State could now fully vacate. There are a number of reasons for this. In the first place, the revenue derived from payroll tax has become an essential and indispensable component of State finances. Another reason is that, if the States were to vacate this field, the void would be filled by the federal Government, which has shown itself to be highly irresponsible in the exercise of its **taxing** powers. To put these proposed measures into context, I remind honourable members that the control by State governments over payroll tax stemmed from the attempt by the States in the late 1960's to obtain access to a growth tax. I shall contrast what the Labor governments have tried to achieve by their payroll **tax** proposals with what the previous Liberal-Country party Government did in this field.

Before outlining the history of the former Government's performance in relation to this type of taxation I invite the attention of honourable members to the futile exercise in which the Deputy Leader of the Opposition—or whoever was responsible for preparing his brief—was engaged. I can imagine a situation where the honourable member or someone else was sitting in his office clicking over a pocket calculator, looking at this table he was given permission to have incorporated in *Hansard*. In fact, it refers to an annual payroll at the level of \$1 million. The Deputy

Mr R. J. Brown]

Leader of the Opposition was trying to find some significance in the fact that the difference in the payroll tax liability of companies operating within each of the States varied by \$1,500 on a total payroll of \$1 million. That is an indication, as will be confirmed by what I shall have to say later, of the approach of the Liberal Party and its Country Party supporters when in government. When payroll tax was handed over to the States in 1971 the rate was 2.5 per cent on that amount of the annual payroll which exceeded \$20,800. The States, including the Liberal-Country party coalition Government in New South Wales, immediately increased the rate to 3.5 per cent. Revenue derived by New South Wales from that tax in 1971-72 was \$126.6 million.

Mr Caterson: What is it in 1978?

Mr R. J. BROWN: In 1972-73 the revenue increased to \$185 million, still under the administration of a coalition government.

Mr Caterson: What is it under Labor?

Mr R. J. BROWN: Who is interjecting? Is it one of the uglies or one of the trendies? If the honourable member were to keep his mouth closed and his ears open he would learn something. It may be embarrassing to members on the **Opposition** side of the House, but nevertheless they will hear it and it is going on record. **I** repeat; by 1972-73 the revenue from payroll tax had increased to \$185 million. **In** September 1973 the Liberal-Country party Government in New South Wales further increased the rate to 4.5 per cent. It increased its rake-off during 1973-74 to **\$272.5** million. In September 1974 the coalition Government in New South Wales increased the rate to 5 per cent and, in doing so, increased its rake-off for that financial year to \$404.7 million. In 1975-76 payroll tax revenue went up to \$462.6 million. In other words, between 1971 and 1974 the Liberal-Country party Government of New **South** Wales increased the rate of tax by 100 per cent and between 1971-72 and 1975-76 it increased its revenue from that source of taxation by 265.4 per cent. By way of contrast with that increase of more than 265 per cent by the previous Government the increase in revenue from payroll tax during the administration of the **Wran** Government and up to the estimated revenue for 1978-79, is a mere 16.6 per cent. Let me repeat those percentages for the information of members opposite. During the term of the Liberal-Country party administration the revenue from payroll **tax** increased 265.4 per cent. During the period of the Wran Government it has increased by only 16.6 per cent. Members opposite parade among themselves and before **the public** as those who are friends of the private sector. If they are the friends of the private sector certainly the private sector can well do without enemies. Those massive increases in the rip-off from the payroll tax by the former Government were occurring when Australia was being grossly affected by the growing world economic crisis **with** increases occurring in both inflation and unemployment. The response **of** that irresponsible Government was to intensify the rip-off in such a way that it **would** best contribute to inflationary pressures and growing unemployment. The Premier, in his most recent election policy speech, exposed the dishonesty of the Liberals **and** their Country Party cohorts in connection with taxation measures when he said:

We know what their promises are worth; give a tax cut, or promise **of** a tax rebate before an election and increase taxes almost as soon as the election is over and do it retrospectively. That's Liberal tax reform.

That statement was not idle electioneering. Plenty of confirmation, should any be needed, is provided by the approach of the Liberals in this State to payroll tax. **While** the great rip-off was proceeding it was, unfortunately for the coalition **Government** of

that time, interrupted by an election which loomed for 1976. The result of that interruption could be anticipated. From 1st January, 1976, which was an election year, the \$20,800 exemption was doubled to \$41,600. The position regarding payroll tax which was inherited by the first Wran Government required that adjusted provisions would apply from 1st July, 1976. Tapering exemption provisions were introduced when the exemption was increased by all the States from \$20,800 to \$41,600 a year. In New South Wales, Western Australia and Tasmania the exemption reduced by \$2 for each \$3 by which the payroll exceeded \$41,600 to zero at \$104,000. In contrast with that approach adopted by the Liberal-Country party Government in New South Wales, which used the payroll tax simply as a means of raising revenue without concern for the social and economic impact of its activities, the Wran Government and its Treasurer have used the payroll tax in a responsible and enlightened manner as a policy weapon to help achieve desirable social and economic objectives.

The Treasurer, in his 1976-77 Budget, introduced two important concessions in the payroll tax area. The first concession was based on the recognition of the effect of inflation on small businesses and the impact of the payroll tax on their ability and willingness to employ more labour. It provided for an increase in the exemption and concessional scale by 15 per cent from 1st January, 1977. The result of this was that employers with an annual payroll of \$48,000 or less became exempt, and the exemption was reduced by \$2 for every \$3 in excess of \$48,000, terminating at \$120,000. The second concession, details of which were announced in March, 1977, and made retrospective to 1st July, 1976, was a \$6 million rebate scheme to encourage decentralization of industry in New South Wales and to generate employment opportunities in country areas.

Honourable members will be aware of the arrangement which provides a 50 per cent rebate to industries located close to the Newcastle, Sydney and Wollongong area, and a 100 per cent rebate outside the boundary which extends around Port Stephens, Maitland, Cessnock, Wyong, Gosford, Mittagong, Bowral and Kiama. Further exemptions were announced by the Treasurer in his 1977-78 budget. The exemption was increased by a further 25 per cent to \$60,000 and the tapered range was extended to \$150,000. This applied from 1st January, 1978, and had the effect of releasing no fewer than 3 000 companies from this form of taxation and reducing the tax paid by a further 11 750 companies. The estimated cost to the Government of this concession was \$12.2 million in a full year. Despite this we hear the Deputy Leader of the Opposition suggest that the effectiveness of any of these reductions in payroll tax and any increase in the tapering provisions of the payroll tax was having a minimal effect. I should like to hear the reaction of the proprietors of those 3 000 companies and the proprietors of the 11 750 companies who benefited in this way. They benefited and members of the Opposition are the ones who now suggest that these measures have no effect. I should like to hear their reaction to the comments of Opposition members. I shall certainly try to make them aware of their comments.

The 1977-78 Budget also provided for a payroll tax moratorium for the additional payroll of those employers taking on school leavers, including wages paid to apprentices and others participating in Commonwealth employment assistance programmes. The estimated cost of that provision was \$10 million. When proposals now before the House are placed in this context they highlight the responsible and responsive approach that the Government is taking and has taken to payroll tax. This approach stands in marked contrast to the irresponsible approach that has been followed by Liberal-Country party governments at State and federal levels.

Mr R. J. Brown]

To illustrate further the degree of irresponsibility shown by the Liberal **Party** to the application of the payroll tax, I remind honourable members of an important matter which indicates not only that the Liberal—Country party had shown irresponsibility in connection with the payroll tax provision at the State level, but their senior colleagues in Canberra had been equally irresponsible and unresponsive. The proposition to which I refer was advanced by the federal Minister for Employment and Industrial Relations, Mr Street, who in August, 1976, proposed that the States further increase the payroll tax to help finance the training of apprentices. As incredible as this counter-productive proposal might sound, it was seriously advanced by a supposedly responsible federal Minister of the Liberal—Country party Government. It is to the credit of the Wran Labor Government that the suggestion was not acted upon but was treated with the contempt that it deserved. There is no doubt that the proposition was advanced in the light of the federal Government's intention to reduce its financial contribution to apprentice training.

I commend the Minister and the Government for showing a higher level of responsibility and responsiveness to this important area of taxation than could ever be expected from the Opposition. I urge all members of the public who may have been hoodwinked into believing the impression that members of the Opposition like to create, that they are better economic managers, to examine the record more closely. No single issue better illustrates the complete incapacity of Opposition members to understand the significance and the impact of various tax measures than their approach to payroll tax. The approach of this Government to payroll tax reaffirms not only its competence and its understanding of the issues involved but also its commitment to do what it can to ensure that the deliberately destructive policies of the federal Government have as little impact as possible on the people of New South Wales.

Mr SINGLETON (Clarence) [7.53]: What a load of garbage honourable members have just heard. Unfortunately, the honourable member for Cessnock is a resident expert on everything. He comes into the House like a roaring walrus and demonstrates, by what he says, that he is passing through on his way to join **Hayden** and company in Canberra. He has done nothing more than virtually pass a motion of no confidence in his own Treasurer. He sought to condemn everyone, from the former Liberal—Country party Government to the present federal Government. He has done that notwithstanding the fact that this is the third Budget presented by the Wran Government and very little has been done in the past about payroll tax.

Thousands of companies in the State have been enmeshed in the net of payroll tax because the Government has failed to meet the inflationary cost of wages on industry. Because of this, every week companies are being caught in the payroll tax net. I ask that the Treasurer consider this matter very carefully. The federal Government has made available untied grants; this year's Budget showed more than \$200 million available from federal revenue. The Treasurer should consider using this avenue in an effort to help State industries. The Deputy Leader of the Opposition detailed the disadvantages faced by industry in relation to unemployment. This is underlined by the fact that New South Wales has been unable to attract major new industries, and many industries having looked at New South Wales, have gone elsewhere. New South Wales now ranks fourth among the investment States in Australia, whereas it once boasted 44 per cent of the total industrial capacity of Australia. It is now well below 40 per cent and falling in each year. The honourable member for Cessnock proceeded to denigrate the efforts of the Fraser—Anthony Government.

Mr R. J. Brown: It cannot be defended.

Mr SINGLETON: It can be defended, and the people of Australia have defended it on two occasions. The taxpayers have been saved \$3,000 million, based on Whitlam taxation schedules. The Whitlam era was a disastrous period in Australia's history, matched only by the early 1930's, for it was then that Labor destroyed this nation's labour and working capacity. At that time tied grants were forced on the States by the Labor Government in Canberra. It is no use saying that the New South Wales Liberal—Country party Government did this or that in regard to payroll tax. The South Australian Dunstan Government, led by Donny boy, is fading fast in South Australia, and it will perish on the rocks. That Labor Government was forced to agree to the annual increases in payroll tax, which is a multiplier of cost to industry and ultimately to the consumer.

The honourable member for Cessnock set out a case that let his Treasurer down badly in relation to what had been provided in the Budget. My reason for speaking to the House in this debate is to ask the Government to look carefully at the problems facing country industries, which face not only increasing costs of freight on goods carried to and from manufacturing centres, but also heavy communications costs. The Government should consider eliminating the need for industries in country centres to pay payroll tax. Credit should be given to the Government for granting concessions on payroll tax rebates to the manufacturing sector in country centres, but I ask once more that the Government consider the possibility of removing the need for payment of that tax or, alternatively, making the rebates payable quarterly. Most country industries have sprung up in the past thirteen years, for many manufacturing industries moved from Sydney to country areas after 1965.

Most of the industries to which I refer are still faced with fairly large capital costs of establishment. One industry that I looked at recently would have saved almost \$3,000 if the amount rebated did not have to be paid. That may not be a large amount when one considers the million dollar companies mentioned by the honourable member for Cessnock. The companies to which I refer are not million dollar companies but small country industries. A further concession would assist them immeasurably by making money available to them and saving the office work involved. I fully support the honourable member for Kirribilli who spoke of the need to bolster further the sagging industrial sector in New South Wales. New South Wales needs new jobs. It is on the doorstep of the Government to provide those jobs. Last year's payroll tax rebate to companies employing young people was a disaster when the money spent is compared to the \$10 million that was set apart for the scheme. Only some \$21,600 was actually taken up.

Mr Renshaw: It explodes the theory that taxation deductions and payroll tax concessions encourage people to employ more workers.

Mr SINGLETON: It did not work. Today the Premier spoke about a further \$17 million. Considerable sums of money were set aside for various jobs that would generate employment. I believe a lot of that money was taken from work that was being carried out. Work on the Pacific Highway stopped. The same thing will happen with the present proposal. It is time that the Government looked closely at the problems of these young unemployed people in New South Wales. It should ascertain why industry is not becoming sufficiently involved. Over the past two or three years the Premier has announced that a number of major industries were coming to New South Wales. The pronouncements appeared in the headlines of our newspapers. Not one industry has eventuated: they came, looked around and went away.

I ask the Treasurer to look again at the problems facing country people. He can help them considerably by removing their need to pay payroll tax that would be rebated. The Government should take action to stop the inflationary trend with wages and charges that it imposes, particularly payroll tax.

Mr RENSHAW (Castlereagh), Treasurer [8.4], in reply: I shall be as brief as possible. I thank the honourable member for Cessnock for his contribution to the debate. He dealt most effectively with the Deputy Leader of the Opposition and other honourable members opposite. He emphasized the fact that over the past seven years the present Labor Government has been the only government in this State to reduce payroll tax. In the present financial year the total exemptions will apply to 725 businesses throughout New South Wales and partial exemption will apply to 9 100. Some 10 000 businesses will benefit by this bill to reduce payroll tax.

I was pleased to hear honourable members opposite express their thoughts about the state of the economy. The lesson to be learnt from payroll tax concessions applicable to new employees during their first twelve months in industry is that payroll tax concessions are not the true answer to the economic problems that confront Australia. This is illustrated by the fact that the \$10 million allocated was not taken up. Further, it highlighted the fact that businesses were not willing to take on apprentices or other employees above their present staff levels, notwithstanding that they were receiving a total rebate. The state of the economy in New South Wales will be determined by what is happening in the market-place and not by tax concessions. The market-place will be the factor deciding whether more employees are required for the purpose of servicing the community. The prosperity and extension of activities within the community and in the market-place will determine the number of people who will be employed. Unfortunately, the federal Government has tried to restrict the very activities that should be expanded to the advantage of the State.

The honourable member for Clarence mentioned the assistance given to country industries. Again this is a first, and again by a Labor government. Manufacturing or secondary industries are exempted from the payroll tax provisions. That was a policy decision to assist decentralization throughout New South Wales. It has been the greatest single contribution in the whole history of decentralization. These great concessions were given to many country industries to afford them some measure of relief by way of payroll tax concessions. In the past three years the Labor Government has raised the exemption level by 59 per cent. This compares with an increase in the revenue raised by the former Government of from 250 per cent to 300 per cent. The honourable member for Cessnock, although a new member, recognized the hollow subterfuge of honourable members opposite. It was not that they did not know about these matters, but that they sought to shift responsibility for their inaction by contrast with the positive contribution made by the Labor Government to the total development of the State.

These beneficial provisions were made in a responsible manner. If there are funds left over from the scheme to encourage people to participate in a youth employment scheme, they will be used for other initiatives to help these young people who are seeking jobs and an opportunity to have a share in the sun. One of the tragedies of the past few years—and it will be so in the next decade—is that young people will not learn to work. In a small community on the large continent of Australia thousands of young people will be in that category. Notwithstanding our limited resources and constitutional restrictions, we must do everything in our power to work with the federal Government on a national level. Perhaps the most important factors contributing to high costs in the community are our roads, railways and similar systems. There should be a major road programme for the whole Commonwealth. That would stimulate employment and reduce the high cost of road haulage, as well as increase road

standards. That would enable us to run our economy more efficiently. Better roads would also be of benefit in national defence should there be any attack on Australia. The Commonwealth can make a positive contribution in these areas and thus provide full employment for our citizens, particularly our young people. They should have the same opportunity to work as everyone else.

The Deputy Leader of the Opposition gave a dissertation on the payroll tax tables that have applied over the years. He continually forgot the history of how his party, when in government, substantially increased not only the level of payroll tax but also the total amount received from the tax, as the honourable member for **Cessnock** pointed out this evening. I am sure honourable members opposite will not vote against the bill. I commend it to the House.

Motion agreed to.

Bill read a second time.

Third Reading

By leave, bill read a third time, on motion by Mr Renshaw.

BILLS RETURNED

The following bills were returned from the Legislative Council without amendment:

Albury–Wodonga Development (Amendment) Bill
Gaming and Betting (Poker Machines) Amendment Bill
Dams Safety Bill
City and Suburban Electric Railways (Amendment) Bill

UNAUTHORISED DOCUMENTS (AMENDMENT) BILL

Second Reading

Mr WALKER (Georges River), Attorney-General and Minister of Justice [8.12]: 1 move:

That this bill be now read a second time.

The bill, which follows a review of the existing Unauthorised Documents Act, broadens the provisions of the Act in an endeavour to overcome various objectionable practices associated with debt collection. Over the years representations have been received in my department complaining about the format and style of forms being used by many debt collection agencies. These representations, which have come from members of this House, the legal profession and the public generally, express concern over bluffing tactics adopted with the intention of misleading people into the belief that **court** action has been taken for non-payment of an alleged debt and will be taken if payment is not immediately forthcoming. The present Unauthorised Documents Act is designed to protect people from being so misled.

The Act provides some redress for the sending of some misleading documents. Under the present legislation it is necessary to establish the requirements of the section that a document is likely or intended to convey to the addressee the impression that the document was issued out of or under the authority of a tribunal. One is left

largely to the document itself and in many cases the draftsman of the offensive document or notice has deliberately framed the document or notice on the style of a summons, at the same time being careful to avoid the provisions of the existing Act. In other words, the draftsman has deliberately gone as close as he can to the boundary line between what is permissible and what is prohibited without crossing that boundary line into the prohibited area. In such a case it may be very difficult to show an intention to convey a misleading impression when the document has been carefully drawn with the object of not showing that intention.

As I have already indicated in the House, legal blue paper, **legalese** and company seals are all used by some creditors or, perhaps, more particularly their unscrupulous agents, to give the impression of the issue of the document by a court. Obviously, the receipt of a document or notice of this sort will often compel a debtor to submit and pay the amount owing, though the document is in no danger of getting its author into trouble. The practice is obviously indefensible on any but legal grounds. This is not good enough. Whether one looks at a document that clearly offends against the existing Act or a document that does everything else but that, the practice of using documents framed with the degree of formality about which I have spoken is objectionable and deceitful.

The first clause of the bill contains the short title. The second clause amends section 3 of the principal Act which deals with the unauthorized use of the State coat of arms. This clause increases the existing penalty for unauthorized use of the State coat of arms from the inadequate monetary penalty of \$40 to a more realistic one of \$400. Clause 2 (b) (i) deletes the existing two tests which determine whether or not a document **offends** against section 4 of the existing Act and inserts instead a single, broader test.

Section 4, which deals with the sending or delivering of false process, has been considered judicially on several occasions and the courts have referred to the need to frame prosecutions in the alternative, drawing the distinction between a document likely to convey the impression that it is a court document, and a document intended to convey the impression that it is a court document. This need has not always been met. Both these tests are to be replaced by a single test embodied in the words reasonably capable of conveying the impression that the document is a court document. The new test is a wider one and should catch documents that would not now be caught under the present Act.

Clause 2 (b) (ii) inserts a new subsection in the Act dealing with disclaimers on documents. The use of disclaiming headings and footnotes such as the words "this is not a summons" still conveys the impression of formality. Obviously a fine print disclaimer in a document should not automatically exclude it from the provisions of the Act. The new subsection allows the court to disregard a disclaimer unless the statement is printed in a conspicuous position on the document and in a type that is more conspicuous than any other type used in the document or notice.

Finally, clause 2 (b) (iii) increases the monetary penalty for a breach of section 4 of the Act, the section dealing with the sending or delivering of false process, from one of \$100 to a penalty of \$1,000. The usual method of prosecution of offences under the Act is by way of summons issued under the Justices Act, 1900, returnable at a court of petty sessions where the offence is dealt with summarily. The proposed increase in the pecuniary penalty will allow these courts greater flexibility in dealing with offenders. I commend the bill to the House.

Mr DOWD (Lane Cove) [8.17]: In view of the show put on last night by the Minister for Consumer Affairs, Minister for Housing and Minister for Co-operative Societies I am concerned that such a performance might be expected of me tonight.

There is no way that I could emulate the acting skills of that Minister, or his talents in other areas. The Opposition does not oppose the passage of this bill; indeed it supports its provisions. But certain problems raised by the measure and by the Attorney-General ought to be considered by the House. I am disappointed that, although I reminded the Attorney-General at the introductory stage and he has sought advice whether the Privacy Committee had been consulted on the matter, in the intervening period he has not availed himself of an able paper prepared only last month by the Privacy Committee on aspects of debt collection. It is unfortunate that a bill comes before the House with a matter to be corrected without the facts having been ascertained. The anomalies to be corrected are properly stated by the Attorney-General, but the problems of which he speaks in support of the measure have been substantially resolved in the overwhelming bulk of cases in this State.

One of the difficulties about an Act such as the Unauthorised Documents Act is that not many people know it exists. If a layman, or even a lawyer, were trying to find a prohibition on this sort of document being produced, there is no way in the world that thought would be given to the Unauthorised Documents Act. It would certainly not be thought of by anyone in any law school in New South Wales. What this underlines is that this Act and other Acts dealing with this area should be consolidated into one statute. I commend to honourable members the paper of the Privacy Committee. I do not take any credit for it myself. I commend the efficient staff of the Privacy Committee on producing the working paper. A series of Acts in New South Wales affects this sphere of activity. The most obvious is the Commercial Agents and Private Inquiry Agents Act, **1963**. Section 100A of the Crimes Act and aspects of the Trade Practices Act **1974**, including in certain circumstances its definitions, also cover this area.

This Act which has been amended on a couple of occasions since 1922 ought not to be left as it is, with these minor amendments as a separate piece of legislation. The bill is drafted in quite unusual terms, and it is a rather draconian measure **with** its reference to the use of the State coat of arms. It is not consistent with the more modern legislation of this Parliament over the past few years. The opportunity should have been taken to rephrase the Act in proper terms in other legislation. We support the specific amendments to section **4**. In the event of more prosecutions occurring with regard to serious problems of intimidation and harassment, I sincerely hope that these amendments will help in securing more convictions.

This problem has been substantially resolved by the effective machinery of the Privacy Committee. Every time there has been a problem the parties involved have been brought in and we have not had a case where the offending party has not agreed to amend his stationery and the demands. It is important that there should be demands falling short of the court process and also, as the Attorney-General correctly pointed out, that people are not deceived by them.

I support the full text of the amendments, which will ensure that people cannot abuse court processes and pass documents off as court processes by these means. However, I point out that the problem has been resolved substantially by the very effective machinery of the Privacy Committee. I know that the Attorney-General is a strong supporter of it in certain areas, as he has said so in speeches in the public arena. It is therefore disappointing that he has not looked at the work that the committee has done in relation to this legislation. I ask the Attorney-General, in the short term that he will remain in office, to have a look at that machinery.

Mr O'Connell: That is the least of his worries.

Mr Dowd]

Mr DOWD: He survived the Labor caucus: he must have some powers. If he can survive that, he probably has a better chance of survival there than in the political sphere. I ask the Attorney-General and his officers to look at the machinery with regard to the adjustment of penalties. It is absolutely absurd for us to be adjusting a \$40 penalty, a trifling sum—and presumably worth less in 1965, up to \$400 and to be raising another penalty from \$100 to \$1,000. Serious consideration should be given to bringing all penalties into line by bringing forward one piece of legislation every so often to increase \$40 penalties to \$100 and so on. There would be some obvious exceptions, of course. It is really a cost of living adjustment. We had the absurd situation last night of the Minister for Consumer Affairs, Minister for Housing and Minister for Co-operative Societies amending two Acts to update penalties.

Under the Whitlam Government there was a sharp increase in the inflation rate, which we had to live with, and as a result all penalties quickly became completely out of date. However, the present federal Government is now bringing inflation under control for the benefit of the whole nation, and it is important that we should examine legislation where the penalties are tiddlywinking by present-day standards. I know that there are obvious exceptions, because one cannot cover all penalties in all legislation, but we should do something to avoid bringing in these amending bills to adjust penalties so frequently.

I again ask the Attorney-General to give consideration to incorporating the sort of measure now under consideration in a debt collecting statute to bring it into line with the other Acts on the same subject-matter. I know that he and many other honourable members have a high regard for the Privacy Committee and I ask them to see the work that has been done by it. The problems that the Attorney-General has spoken of were relevant some time ago but they are not relevant now. Obviously some cases will continue to crop up, but I think this amendment will cure most of the problems that are likely to occur. Machinery such as the Privacy Committee can solve problems without need for legislation. The Opposition supports the bill in its endeavour to make sure that such problems do not slip through the net.

Mr WALKER (Georges River), Attorney-General and Minister of Justice [8.27], in reply: There are three things bothering the mind of the honourable member for Lane Cove. He continues his assertions that we have not consulted the Privacy Committee. I shall continue with my assertion that we did. The officers preparing the bill had lengthy and fruitful discussions with the research officers. They pored over every phrase of that learned treatise that the honourable member for Lane Cove was brandishing in this House. As a result of the great wisdom that stems from that document, I am sure that the quality of this bill has been greatly enhanced. The Privacy Committee is a wonderful organization. The honourable member for Lane Cove is a prominent member of it.

Mr Einfeld: That weakens it a bit.

Mr WALKER: Yes. The committee believes that one can solve these problems by conciliation and the honourable member makes the claim that all cases that have come to the Privacy Committee's attention have been successfully solved. The problem I was faced with—and why I made a decision to introduce this piece of legislation now—was that there are a lot of people running around Sydney, such as mercantile agents, with court judgments in their favour and the documents that they were using were within the existing law. No privacy committee anywhere in the world could convince such a man with a judgment in his favour that he was wrong. As a result of strong arguments from mercantile agents I was obliged to amend the Act, and I have brought down the amending bill.

The other point raised by the honourable member for Lane Cove is far more interesting. It is a matter that has been giving me a great deal of concern since I have become Attorney-General. I refer to the question of penalties. We have thousands of Acts on our statute book, and as inflation increases it is necessary to amend penalties from time to time. There is a great deal of work and trouble involved in doing that. It would be nice to have a general mechanism that would jack up the penalties involved in comparison with price **rises** in the community, but it is not as simple as that. Not only does the value of money inflate but also people's attitudes about the moral turpitude involved in offences also change. There was a time when people in this State believed that to bathe nude was some sort of an offence and should be punished. There were people on the North Shore and other places who were greatly concerned about naked people walking about beaches. Now we cannot find enough beaches to fill with naked people. Attitudes change. Obviously attitudes about such things as the use of the State coat of arms will change. We are all very strong royalists in this place, particularly the Minister for Consumer **Affairs**. I note that this Parliament has finally started to use the State coat of arms in place of the very interesting round emblem that it used previously. The fact of the matter is that this **was** an attempt to avoid a situation created by the courts. It is a stop-gap measure, as are many others that come before this Parliament. One day we will get around to codifying everything.

Motion agreed to.

Bill read a second time.

Third Reading

By leave, bill read a third time, on motion by Mr Walker.

PRICKLY-PEAR (AMENDMENT) BILL

Second Reading

Mr DAY (Casino), Minister for Agriculture [8.30]: 1 move:

That this bill be now read a second time.

The purpose of this bill is to amend the definition of prickly-pear in the Prickly-pear Act, 1924. The Act defines prickly-pear in broad terms with the effect that all plants in the cactus family come within the definition and are, therefore, prohibited from being grown in New South Wales. There are some sixteen hundred varieties of cacti, of which only about ten have proved to be major pests. The main pest varieties were introduced into Australia by early settlers. Only one additional variety has become a pest over the past fifty years.

Indian fig or opuntia *ficus-indica* to use its scientific name, is grown for its fruit mostly by immigrants of Italian or Maltese descent. Though it is similar in appearance and characteristics to the common pest pear it is not one of the varieties considered to be a pest. A careful watch will be maintained, however, by the Prickly-pear Destruction Commission and, should Indian fig become a pest, the right to **grow** it may be withdrawn.

The provisions of the bill are brief. Clause 1 contains the short title. Clause 2 omits the section which declared all varieties of prickly-pear under the Prickly-pear Destruction Act, 1901, to be prickly-pear for the purposes of the Prickly-pear Act, 1924. The definition of prickly-pear or pear is deleted and replaced by a new definition which declares all plants of the three cactus tribes to be prickly-pear other than any

prescribed by the regulations. It is envisaged that initially only one variety will be prescribed and that is Indian fig. The provision enabling changes to what is allowed to be made by regulation has the advantage of making it relatively simple to add new varieties if occasion arises whilst allowing for quick withdrawal of the right to grow any varieties which become a pest. I commend the bill to honourable members.

Mr MURRAY (Barwon) [8.33]: The Prickly-pear Act, 1924, was enacted to combat the greatest menace that ever attacked rural lands of Queensland and New South Wales. The prickly-pear overtook vast tracts of land, and not until the cactoblastis insect was introduced was any semblance of control established over it. The fight to set up a prickly-pear commission began in 1882 and ended forty-two years later, when on 10th September, 1924, a bill was introduced by the Minister for Lands, the Hon. W. E. Wearne. He referred to the Prickly-pear Destruction Act of 1886 and quoted this extract of Hansard of that year:

Mr Wisdom: He did not. It was stated that an area of 5 000 acres in the Upper Hunter district was infested, but what was 5 000 acres compared with the total area of the colony.

Mr Hungeford: What will it be in fifty years?

Mr Wisdom: It will die out.

Unfortunately that attitude was adopted by many people. I am concerned not only about prickly-pear but other noxious weeds that infest grazing and **farming** land. There is no doubt of the need for strong control. Over the past thirty years substantial inroads have been made in the control of weeds. The cactoblastis insect has been the main factor in controlling prickly-pear. Before that method of control was introduced arsenic poisoning was widely used though it caused more harm to user than to the weed. Modern control of the substance 2,4,5-T has had a great effect in cleaning up scattered areas of pear where cactoblastis insect has not been effective by virtue of it maintaining hosts to propagate.

In 1924 this House was told that a machine had been invented to cut up and destroy prickly-pear. Unfortunately, the machine was not effective. The Minister intends to amend the Act to permit species to be exempt by regulation. The Opposition does not object to that procedure being streamlined; it is a rather clumsy method of administration. I fear that our farmlands might once again face a serious problem from weed infestation.

On 8th November I asked the Minister for Agriculture a question about the rapid spread in southwestern Queensland of the dangerous weed parthenium. I fear that parthenium might spread to New South Wales as did prickly-pear. This **weed** **was first** discovered in Toogoolawah in Queensland in 1955 and was rediscovered in Clermont in 1964. Its growth remained fairly static until 1977 when it **was** found to have spread tremendously. It is now widespread in Queensland and the Government of that State has declared it to be out of control in some areas.

The basis of the exercise to control parthenium could be similar to controlling prickly-pear. The worst factor is that human skin has a severe allergy reaction to parthenium. This factor makes control difficult. In some circumstances chemical eradication of weeds is successful, though there is always the problem of cleaning up. I presume that upon the enactment of this measure the Minister will remove Indian fig from the list of pests. From time to time representations have been made by members of the southern European community for this to be done. In 1977 my colleague, the honourable member for **Lismore**, made representations on behalf of Mr Travaglia and his father-in-law Mr Manitta who wanted to grow Indian fig on the

North Coast. The Prickly-pear Destruction Commission was not enthusiastic about the proposal. In fact the board, referring to eradication of prickly-pear in the Lismore district, reported:

In the publication "The Prickly-pears Acclimatised in Australia" published by the Commonwealth Prickly-pear Board in 1925, it is stated—"Indian Fig has spread into the bush near Raymond Terrace, Morpeth and Singleton". In "The Cactaceae" compiled by Britton and Rose and published by the Carnegie Institution of Washington in 1919, a recognized world authority on plants of the cactus family, it is stated—"Indian Fig is found all over the tropics and sub-tropics either as cultivated plants or escapees. It is hardy in Bermuda and Florida. It has run wild in many waste places along the Mediterranean Sea, along the Red Sea, in Southern Africa and in Mexico". It is obvious that it would also run wild in New South Wales if no action was taken to keep it in check.

That was a report of the Commissioner of the Prickly-pear Destruction Commission, Mr V. H. Gray, on 30th May, 1977. I appreciate that some people want to grow this fruit, but I request that the Minister, when he amends the regulations, give serious consideration to the manner in which the plant is allowed to be grown in the State. In Queensland it has not been declared a noxious plant but in selected areas it cannot be grown. If the Minister does not take similar action in this State, having in mind that the Indian fig is a good host of the fruit fly, the movement of the fig from the coastal areas into the Murrumbidgee Irrigation Area would cause havoc.

Mr Day: There is no fruit fly problem there.

Mr MURRAY: I agree, but the Indian fig, unlike bananas, cannot be ripened away from the plant, and if the ripe fruit is taken into the irrigation area without being treated, the fruit fly could be spread from the north coast into the Murrumbidgee Irrigation Area. That would cause a tremendous problem. Having in mind the amount of work done by the department in keeping fruit fly out of the irrigation area for so long, it would be a disaster if the fruit fly were introduced there. I urge the Minister to be cautious when amending the regulations. I refer him to what was said by the Hon. P. F. Loughlin, Leader of the Opposition of the day, speaking in the debate on a bill in 1924:

Obviously the whole bill will fail if the land which is clean today is not kept clean in the future.

Honourable members should keep those words in mind at all times when considering removing controls from a plant **such** as the prickly-pear. Recognition of the dangers must be kept firmly in the minds of all involved and especially in the mind of the Minister when proposing the removal of regulations and the removal of certain species from control. Opposition members do not oppose the amendments in the bill, but urge great caution in the amendment of powers. Above all else, the rural lands and irrigation areas of the State must be protected.

Mr PARK (Tamworth) [8.45]: As the honourable member for Barwon said, the Opposition has no quarrel with amending the Act to allow exemptions to be provided by regulation rather than by statute. However, we are mindful of the tremendous problems that arise as a result of the introduction into Australia of various type of prickly-pear and urge the Government also to be mindful of those problems. I hope that the Government is cognizant of the possible dangers in the future and of the need for the Act to be administered with discretion. The same should apply to regulations. Responsibility for the control and eradication of prickly-pear should never be

transferred from the Prickly-pear Destruction Commission to local government. Employees and officers of the commission are highly trained and experienced and understand how effectively to carry out their tasks.

I particularly mention tiger pear, which was introduced into Australia from South America some years before World War II. Its common name is the tiger pear but it is known in America as jumping cholla, and has been described as the king of all pests. When it spread in Australia, it became a tremendous problem and the board was at a loss to know how to control it effectively. In the early years control measures were confined to the use of arsenic pentoxide. Therefore, control was labour-intensive, slow and not particularly effective. The small insect cochineal was introduced and found to be effective. The cactoblastis insect was tried first but, while it was very effective against prickly-pear and other cacti, it was not effective against the tiger pear. It destroyed some of the plant but the pear was able to spread. The cochineal insect does not travel far, its movement being confined to metres rather than **kilo-**metres. Therefore, the insects had to be spread by hand. That was time-consuming and labour-intensive, but the insects did a good job by eating out the crown of the pear. Despite this, the seeds continued to germinate.

By the use of the cochineal insect it is possible effectively to control the pest, but there is no way that the insects would completely eradicate it. The cochineal insect is particularly effective in hilly country not accessible to machinery such as motor vehicles. In country that is accessible and where the tiger pear is scattered, it may be possible to eradicate it completely by the use of the hormone 2,4,5-T, which the commission found to be most effective. The hormone, which is used in conjunction with dieselene, kills the insects. A landowner may take a number of years to control effectively the tiger pear. The application of 2,4,5-T is a labour intensive process and thus costly. In recent months the commission has virtually reverted to using the cochineal insect. I sound a word of warning to the Minister. I would be most concerned if for any reason it was decided to ban the use of 2,4,5-T and dieselene, which could be effective in completely eradicating this pest where it is on accessible country and the plants are scattered. In less accessible country such as **hilly** areas, the commission has decided that the only known effective and reasonably economic means of controlling the pest is by the cochineal insect. This serious pest has a number of segments which have long spikes. When sheep, cattle or horses brush against the plant the segment breaks off and tends to jump in all directions. They fasten on to the wool of sheep or the skin of cattle, which cart them around until the segments fall on the ground and grow again. In some areas of the State it is the most serious species of pear. As I said, it is known as the king of all pests. The commission is most concerned about it.

Mrs MEILLON (Murray) [8.54]: I compliment the Minister on introducing the legislation, which means a lot to the people west of Balranald in the Murray electorate where the Indian fig grows. It has to be cultivated and is by no means a pest. A person who can grow lantana in that area is regarded as a fine gardener. In Victoria the Indian fig and the prickly-pear are not regarded as pests. Many of my constituents regard Indian fig as a great delicacy, and if the ban is lifted they will benefit greatly.

Mr DAY (Casino), Minister for Agriculture [8.55], in reply: I thank those honourable members who contributed to the debate. They urged some caution about the future control of Indian fig. Caution has been the by-word in amending the Act. Originally, it was planned simply to proclaim Indian fig as allowable. Because of the provisions of the Interpretation Act, a proclamation cannot be revoked. However, a

regulation can be quickly revoked. This provides the tightest rein possible on controls. If Indian fig proves to be a pest we would license it. I give notice that if it gets out of control the Government will give serious consideration to deproclaiming it, if I may use that expression, by regulation. Once again it would become a prohibited variety. However, I do not expect that will be the case.

The honourable member for **Tamworth** mentioned the tiger pear and other varieties that give considerable trouble. The Indian fig is quite easily distinguished from the varieties that cause real trouble. Its leaves are twice as big as the tiger pear and its fruit is also much bigger. It is a slow grower, which reaches a significant height. The other varieties that cause problems grow mostly along the ground. The honourable member for Murray said that her constituents grow Indian fig, which they prize as a delicacy. The Department of Agriculture's examination of it confirmed that there was no real reason why they should be denied that delicacy.

I regret that notwithstanding the representations made over a number of years, my predecessors in the Liberal-Country party did not share my view that it should be examined closely to see if we could not accommodate those people instead of prosecuting them, as was done by the former Government. People in the electorate of the honourable member for Murray were prosecuted. The honourable member for **Murrumbidgee** told me that in the last years of the Liberal-Country party Government, some thirty people were prosecuted by the Department of Agriculture for growing this variety. The Labor Government has taken sympathetic action. It was not deterred by statements that it could not be done. It has been done. Some two years ago I stopped all prosecutions pending an examination of the problem. This was followed by the introduction of this bill. During the time that I have been administering the Department of **Agriculture** there have been no prosecutions arising from this matter. Henceforth it will be quite lawful to grow it.

The honourable member for **Barwon** has got a thing about parthenium weed. There is none in New South Wales; it is peculiar to Queensland, where it is a problem. New South Wales is monitoring it to make sure it does not intrude into this State. I add that it is not as big a menace as the **Petersen** weed of which the **Joh Bjelke** variety is the most noxious in Queensland. [Quorum formed.] It is such a scourge in Queensland that it has threatened the livelihood of its primary producers and their democratic conditions and freedoms. When it intruded into New South Wales the political climate was not good enough and most of it was repelled. Unfortunately it exists in parts of the State, such as in the electorates of the honourable member for **Barwon** and the honourable member for **Tamworth**. I assure honourable members opposite that the Government will stamp out the last vestiges of it within three years. A few weeks ago it was dealt with rather severely and the Government is preparing for its complete elimination. The bill is a simple measure. I appreciate the Opposition's support of it. It is a pity that Opposition members did not take the same action when they had an opportunity to do so during the eleven years that they were in **office**.

Motion agreed to.

Bill read a second time.

Third Reading

By leave, bill read a third time, on motion by **Mr Day**.

SOIL CONSERVATION (AMENDMENT) BILL
WATER (SOIL CONSERVATION) AMENDMENT BILL

Second Reading

Mr GORDON (Murrumbidgee), Minister for Conservation and Minister for Water Resources [9.1]: I move:

That these bills be now read a second time.

As the short titles of the bills indicate, the principal amendments proposed relate to soil conservation. The bills also alter the powers of the Catchment Areas Protection Board, which controls the destruction of timber on steeply sloping lands in notified catchment areas and within or adjacent to prescribed rivers and lakes. The Soil Conservation Act, 1938, authorized the formation of the Soil Conservation Service and created a catchment areas protection board, which was a forerunner of the present board, reconstituted in 1972. This Act was the first of such legislation in Australia. It resulted from a recognition that soil erosion was making large inroads into the State's best agricultural and pastoral lands, that it was damaging the catchment areas of streams and lakes and was reducing the effectiveness of costly capital works, such as water supply dams. It has long been recognized that wind and water are the two primary erosion forces. Though natural or geological soil erosion has occurred for centuries, vastly accelerated erosion has resulted directly from the effects of man's activities on the environment, especially where a reduction of vegetation occurs.

A detailed erosion survey of the eastern and central divisions of the State was conducted by the Soil Conservation Service during 1941–43. The survey showed that about 250,000 square kilometres of those divisions, which embrace nearly **all** the State's cultivation lands and supported 90 per cent of all livestock, were suffering from moderate to severe gully and wind erosion. Labor governments have always been mindful of the problems caused by soil erosion of our valuable natural resources and its deleterious effect upon the State's primary industries. The **McKell** Government was responsible for a rapid expansion of the Soil Conservation Service's research programmes into the prevention and mitigation of soil erosion.

Between 1941 and 1946 five additional research centres were established at Wellington, Wagga, Gunnedah, Inverell and Scone. In each case, the area selected **was** one on which an erosion problem of some magnitude existed. Following their establishment, existing erosion was treated at each centre by structural and vegetative **soil** conservation measures and improved land usage. Numerous experiments and investigations were undertaken at each centre to determine and improve techniques for erosion control, and the centres served to demonstrate to landholders and others the value of soil conservation farming.

In 1947 the **McGirr** Labor Government introduced legislation which set up the Soil Conservation Service's plant hire scheme. This scheme allowed landholders, on whose properties earthworks were necessary to control or prevent soil erosion, to hire heavy earthmoving equipment, together with trained service operators under the supervision of a soil conservationist. In that year also the soil conservation advances scheme was set up to allow the Minister to make financial advances available to landholders **who** are unable to afford structural works from their own resources or from loans from lending institutions. These advances are repayable over extended periods at low rates of interest. In 1965 the Renshaw Labor Government was responsible for starting the first soil conservation project at Goorianawa.

These projects involve the treatment and prevention of **soil** erosion on a whole catchment basis and are a more efficient use of resources than an individual property or paddock approach. A reassessment survey of soil erosion in the eastern and central

divisions of the State in 1967 showed that while there had been a reduction of over 55 000 square kilometres in the total area of land suffering from all types of erosion, the area of moderate gully erosion had increased by nearly 8 000 square kilometres. This was attributed to deterioration of lands formerly sheet eroded and to expansion of cultivation into previous grazing areas without adequate soil conservation measures.

A Commonwealth-State government collaborative soil conservation study conducted during 1975-77 on behalf of the Commonwealth Government showed that 45 per cent of this State's extensively cropped lands in non-arid areas required soil conservation works, while 51 per cent of the remainder required improved land management practices. In non-arid grazing areas, 41 per cent of lands required works while 51 per cent of the remainder required improved land management practices. The basic recommendation of the collaborative study was that soil conservation activity in Australia should be intensified and extended, and integrated with policies for rural industry and planning for coastal, urban, recreation and mining areas. I am hopeful that as a result of this study the Commonwealth Government will provide increased funds to the States for soil conservation.

The bills now before the House are a step by the Government in intensifying and extending soil conservation activity. Labor governments of this State have been responsible for the major advances to date in combating soil erosion by the creation of a ministerial portfolio of conservation which embraces the three resource organizations of soil, water and forests. The Government has also been instrumental in developing the Soil Conservation Service as a strong, integrated and autonomous organization responsible directly to the Minister. Many government departments and authorities deal with specific forms of land use, for example, mining, agricultural, urban, forestry, transport and industrial uses. Within its responsibilities for protecting the soil resources of the State, the Soil Conservation Service is required to assess the capability of the land in terms of its physical limitations. The service is then in a position to influence land use authorities to ensure that development is undertaken within the determined capability of the land irrespective of the particular form of land use.

I shall now deal with the bills in some detail, commencing with the Soil Conservation (Amendment) Bill as this contains the greater number of amendments. The other bill is cognate with this bill. For the convenience of honourable members, I shall keep to the order of the bills as far as possible. The Soil Conservation (Amendment) Bill deals in schedule 1 with amendments to the principal Act with respect to catchment areas. Important amendments were made to the Soil Conservation Act in 1972 with a view to controlling the destruction of timber on steeply sloping lands within the catchment areas of water storages and other proclaimed works. It was recognized that the preservation of tree cover on such steeply sloping lands is essential for the protection of the water resources of the State. Extensive removal of trees on such lands, which can be designated as protected lands under the principal Act, results in silting and pollution of watercourses and costly storages. Rainfall is no longer absorbed but runs off rapidly, taking topsoil and debris with it. Silt in rivers is recognized as the major pollutant in the river systems of New South Wales, as it is in the United States of America and other countries.

Item 4 of schedule 1 of the Soil Conservation (Amendment) Bill will extend the powers of the Minister in regard to catchment protection by allowing notification of an area of land as the catchment area of a river or lake where he is of the opinion that the stability of that river or lake is adversely affected or is likely to be adversely affected by soil erosion. The present power of the Minister, to notify catchment area to which the protected lands provisions of division 2 of the principal Act apply, is

Mr Gordon]

limited to those cases set out in section 19 where an existing work or proposed work for certain purposes has been proclaimed by the Governor. The need to identify an existing work has restricted the functioning of the Catchment Areas Protection Board as it has prevented the protected lands provisions of the principal Act being applied to some catchment areas where no such works could be identified but where protection of the catchment was necessary. The proposed amendment will apply only where a work or proposed work cannot be proclaimed under the existing provisions.

In amendments to the Soil Conservation Act in 1972 an exemption from the protected lands provisions was included in section 21A (d) in respect of any parcel of land on any part of which a banana plantation or orchard was established at the commencement of the relevant section, or any adjoining parcel of land in the same ownership. It is now proposed to modify that exemption by deleting that provision and inserting a substitute provision in section 21C which permits an owner or occupier of protected land to destroy the trees comprising a banana plantation or orchard where this is necessary for the harvesting of the produce of, or the management of, the plantation or orchard, but does not involve the complete destruction of the banana plantation or orchard. This will not hamper landholders in their normal operations, but will allow the Catchment Areas Protection Board to exercise some oversight where a change in land use may involve the total clearing of all trees on an area of protected land over two hectares. Such change in land use could lead to a risk of serious erosion.

It is also proposed to delete the existing exemptions in section 21A (e) and section 21C (2) (d) of the Soil Conservation Act in respect of open-cut mining operations or quarrying being carried out, and forests or woodlots established, at the commencement of those sections. Since the introduction of the Mining Act and the Coal Mining Act conditions are included in all mining leases requiring restoration measures, as specified by the Soil Conservation Service, to ensure adequate erosion control and the rehabilitation of mine sites. In addition, open-cut mining operations or quarrying established since 1972 would come within the protected lands provisions of the Soil Conservation Act. I can see no reason why all mining operations should not be treated uniformly.

With respect to the exemption of forests or woodlots, the Catchment Areas Protection Board imposes standard erosion mitigation conditions on private landholders who undertake the logging or clearing of trees on protected lands on their properties not being forests or woodlots. In addition, the Forestry Commission is voluntarily applying the board's standard erosion mitigation conditions in state forests although these are exempted under section 21A (b). Many operators of private forests and woodlots are, in fact, submitting applications to the Catchment Areas Protection Board and are complying with conditions imposed by it. There are strong arguments therefore why a few operators of forests and woodlots should not be exempted but should be subject to the same requirements as undertaken by state forests, private sawmillers and most private landholders.

I am pleased to advise honourable members that, despite a substantial increase in the number of applications to destroy trees being received by the Catchment Areas Protection Board, which is no doubt due to the state of the rural economy, the board is dealing with these expeditiously and has gained the co-operation of landholders and the timber industry. Landholders are not being inconvenienced and employment in the timber industry is not being jeopardized where such applications conform with requirements. In fact, the board has delegated to district soil conservationists the power to give interim approvals where applications are straightforward.

With the advent of increasing subdivision of large areas of steeply sloping land on the outskirts of urban areas into small holdings, there is a need to bring these under the control of the Catchment Areas Protection Board so that proposals for the clearing of protected lands can be examined and appropriate conditions for soil stability imposed. Therefore, the bill in item (6) (g) of schedule 1 modifies the existing provision of section 21c (3) (b) of the principal Act. Landholders will still be able to destroy trees on not more than two hectares of protected land in any period of one year where each separate area of protected land exceeds eight hectares. For each separate area of protected land of less than eight hectares they may destroy timber on up to only one-quarter in any period of one year without the authority of the board. In the absence of such an amendment, large numbers of owners of hobby farms could clear many hectares of protected lands without proper regard to the overall effect upon catchment stability generally and the adverse effects upon water-courses and storages within the catchment. The very proximity of such holdings to urban areas suggests the need for careful land use.

Item (7) of schedule 1 of the Soil Conservation (Amendment) Bill, 1978, will empower the Catchment Areas Protection Board to serve a notice upon a person where it is satisfied that the person has done, or proposes to do, anything on protected land that is causing or is likely to cause soil erosion on the protected land or any adjacent land. The notice may require that person to abstain from doing, or to do or permit to be done, such things considered necessary to mitigate, avoid or repair damage caused by erosion. In keeping with the Government's policy of allowing a right of objection against the decisions of government departments and bodies, provisions have been included in the bill allowing the person served with a notice, or the owner, occupier or mortgagee of the land in question, not being the person actually served, to lodge an objection with the local land board. The land board will be able to hear the objection and make a recommendation to the Minister whose decision shall be final.

In the event of failure to carry out required remedial works or measures to the satisfaction of the Catchment Areas Protection Board or within the specified time, the Minister will be empowered to authorize the Commissioner for Soil Conservation to enter such land and execute such works or measures. In default of payment, the costs incurred may be recovered in a court of competent jurisdiction and until paid will be a charge upon the land where the person served with the notice is the owner of that land. These powers are justified having regard to the need for preservation of tree cover on steeply sloping lands within catchment areas as protection for the water resources of the State. Penalties for breaches of the principal Act could be totally inadequate when compared with the erosion problem caused to the community as a whole, as well as to the offender's land. The board has requested offenders to undertake restoration measures where unauthorized logging or clearing has taken place, but there is no statutory support for such action by the board.

Schedule 1 of the Soil Conservation (Amendment) Bill extends the present prohibition on the ringbarking, cutting down, felling, poisoning or otherwise destroying trees to include topping, lopping, removing or injuring trees on protected lands without the authority of the Catchment Areas Protection Board, other than in accordance with exemptions contained in section 21c (3) of the principal Act. An ambiguity in the time limit within which proceedings for offences may be instituted has been rectified in schedule 1, and certain other administrative and minor amendments in respect of catchment areas have been included.

Mr Gordon]

Schedule 2 deals with the appointment of an assistant commissioner under the Public Service Act, 1902, to assist the commissioner with the administration of the service. In addition to recent changes in the structure and control of the Soil Conservation Service, substantial changes have taken place in recent years in its activities. Although there has been a strengthening of its traditional roles of implementation of structural soil conservation works and advisory services to rural landholders, there have been rapidly growing demands for professional assistance in activities such as catchment area protection and control of soil erosion in urban situations and associated with extractive industries. The additional functions and increased demands being made have imposed extra burdens upon the commissioner. The assistant commissioner will carry out functions directly delegated to him by the Minister and the commissioner, and in the absence of the commissioner he will be available to carry out his responsibilities.

Schedule 3 provides for increased penalties for offences under the principal Act in keeping with the seriousness of those offences and present-day values. A number of miscellaneous amendments to the Soil Conservation Act are contained in schedule 4. The most significant of these, so far as honourable members are concerned, relate to the soil conservation advances scheme, under which the Rural Bank advances finance to landholders from moneys provided by the Treasury to enable them to carry out structural soil conservation works and improve land management practices. Since the inception of the advances scheme some administrative and legal difficulties in its operation have been identified. The amendments contained in the bill under consideration rectify these.

First, an occupier of land will be permitted to make application for an advance with the written consent of the owner. Provision has been made for the Rural Bank at the request of the Treasurer to provide working capital to the Minister to meet costs incurred or likely to be incurred in carrying out works. The Minister will be empowered to direct in what manner and at what time an advance will be paid by the Rural Bank, including by way of progress payments. In addition, an advance may be secured by a deed of charge over the lands of the owner or such lands as the Minister considers sufficient, whether or not the lands are those in respect of which the advance was made. With the approval of the Minister an advance may be secured in some other manner as approved by him. Other procedural amendments have been made. I am confident that these amendments will improve the operations of the advances scheme and facilitate the provision of advances for essential soil conservation measures to some landholders who have been inadvertently debarred through some inequities in the existing legislation. The advances scheme has proved to be very popular with landholders and has enabled valuable soil conservation work to be undertaken notwithstanding a downturn in the rural economy.

The Soil Conservation (Amendment) Bill makes provision for the delegation of powers, authorities, duties and responsibilities under the principal Act by the Minister and the commissioner to facilitate administration of the Soil Conservation Service. It contains also amendments by way of statute law revision and others of a minor, consequential or ancillary nature. The Water (Soil Conservation) Amendment Bill is cognate with the Soil Conservation (Amendment) Bill. As a consequence of amending certain sections of the Soil Conservation Act regarding protected lands and the powers of the Catchment Areas Protection Board, as outlined previously to the House, consequential amendments are necessary to the Water Act.

Under section 26D of the Water Act the Catchment Areas Protection Board is empowered to control the destruction of trees within, or within twenty metres of the bed or bank of prescribed rivers and lakes of New South Wales. This legislation recognizes that trees generally strengthen and protect the banks of rivers and lakes

against erosion. Indiscriminate clearing of trees along many rivers and lakes has contributed to serious bank erosion, with a resultant increase in turbidity and siltation. In many instances, selective clearing of waterways can be of considerable benefit in improving the flow of water, particularly during flood periods, and it provides access for stock. The Catchment Areas Protection Board has issued authorities for such selective clearing, after expert investigation and subject to stringent conditions, in respect of the manner of destruction of trees and appropriate restoration measures.

It is essential that the board's powers to control the destruction of trees on steeply sloping lands and within or adjacent to prescribed waterways be consistent. The Water (Soil Conservation) Amendment Bill will amend section 26D of the Water Act in regard to the extension of the present prohibition on the ringbarking, cutting down, felling or destroying of trees to include poisoning, topping, lopping, removing or injuring. An ambiguity in the time limit within which proceedings for offences may be instituted has been rectified and certain other administrative and minor amendments have been made.

The bill empowers the Catchment Areas Protection Board to serve a notice upon a person where it is satisfied that the person has done, or proposes to do, anything on any land which is causing or is likely to cause soil erosion on the land or any adjacent land. As in the case of the Soil Conservation (Amendment) Bill, a right of objection to a local land board has been provided, with a final determination by the Minister. Where the person does not comply with the requirements of a notice to carry out remedial work, the Minister may authorize the Commissioner of the Soil Conservation Service to enter upon the land, do the required work and recover the cost in a court of competent jurisdiction. Until recovered such costs will remain a charge upon the land where the person served with the notice is the owner.

The comments that I have made to the House in respect of similar provisions contained in the Soil Conservation (Amendment) Bill are applicable to this measure. The Water (Soil Conservation) Amendment Bill contains other amendments of a minor consequential or ancillary nature. To sum up, I believe the provisions of the bills now before the House are in the public interest. They are necessary to ensure protection of the catchment area and the water resources of the State from soil erosion. A policy of total preservation is not compatible with progress. We must achieve a balance between these factors. The proper utilization of our resources with adequate soil conservation measures will assist us to achieve such a balance. I commend the bills to the House.

Mr FISCHER (Sturt) [9.26]: The Opposition supports the Soil Conservation (Amendment) Bill and the Water (Soil Conservation) Amendment Bill and recognizes them as interesting measures aimed at streamlining and upgrading the relevant Acts. In addition, an assistant commissioner will be appointed to the Soil Conservation Service. The fact that the Opposition supports these measures is indicative of its long-standing interest on matters pertaining to soil conservation. It was somewhat disappointing that the Minister delivered a partisan second reading speech. He implied that only Labor governments under Premier McGirr, Premier Renshaw and Premier Wran had done anything for soil conservation in New South Wales. In fact, it was a Liberal-Country party coalition government in 1938 that set up the Soil Conservation Service when a former member for Raleigh, the Honourable Roy Vincent, Minister for Forests, introduced the Soil Conservation Bill which provided for the establishment of the Soil Conservation Service.

Mr Gordon: Yes, and you left it at **that**.

Mr FISCHER: If the Parliament is to consider who has done most for soil conservation in this State, the credentials of the coalition parties show up well. When the Soil Conservation Service was set up in 1938 Mr Clayton was appointed as its first commissioner. The Minister, by way of interjection, has said that the coalition Government introduced the bill and left it at that. That was a rather foolish interjection. I can point to a number of schemes promoted by governments of the political complexion of those on this side of the House, including stabilization programmes and such major water storages such as Copeton Dam and Lostock Dam, to mention but a few.

On several occasions the Minister referred to the Act of 1972. I remind him that that statute was enacted by a former coalition government. That was a good piece of legislation. I am pleased that the Minister has referred to it in detail. During this debate the Minister referred to the Catchment Areas Protection Board. That, too, was set up in the early 1970's by a coalition government under the guidance of the Hon. W. Fife and the Hon. G. F. Freudenstein. That was trail-blazing legislation.

I should like to invite the attention of the House to two other matters. The Minister intimated that plant hiring arrangements were an initiative of a former Labor government. If he is interested to learn which government left things standing still he should study the history of plant hiring arrangements. This service was permitted to run down but a coalition government retrieved the situation and developed a water supply subsidy scheme within the Water Resources Commission to rejuvenate the plant hire operation for soil conservation in this State. It is an effective and competitive commercial exercise. It encourages soil conservation as an incidental adjunct to its principal aim of water conservation.

The credentials of the Opposition in this regard are good. I am pleased to see in the House tonight the honourable member for Raleigh, the successor of the member for Raleigh who in 1938 introduced the original Soil Conservation Act. I might terminate this part of the debate by referring to something that the so-called wonderful Labor Government has not done. I refer to the moves to take a pragmatic and practical step towards decentralization in the State by shifting the headquarters of the Soil Conservation Service out of the cluttered and congested metropolitan area of Sydney to the growth centre at Orange. That is a reasonable step.

Mr Johnstone: Why didn't the Liberal Government do it eleven years ago?

Mr FISCHER: What the government did eleven years ago, after much opposition and a great deal of effort, was to have the Central Mapping Authority moved from Sydney to Bathurst. That was a pioneering step that received a lot of opposition. It was a genuine proposal. The proposal to move the Soil conservation Service was developed to a great extent and with much detail. It received support from some sections of the service, as being a logical and sensible step, but this so-called government of decentralization turned its back on the growth centre at Orange, as it has turned its back on other growth centres, and rejected that proposal. It is a matter of common knowledge that many of those employed in the Soil Conservation Service were willing to move to Orange; indeed, some had taken steps to make personal housing arrangements. But it was all brought to an end.

The Minister should not bring into this House streamlining amendments and then proceed with a partisan speech that says that the Opposition has done nothing in regard to soil conservation. The Opposition has a very solid track record in this important area of government. Soil conservation work is underestimated State-wide. Many landowners, particularly in the wheat-growing belt, take the understandable attitude that soil conservation banks and other works that might prove

appropriate for their land would hinder and frustrate wheat growing, tractor work and other programmes. They believe these works might ruin a good cropping paddock by breaking it up into a series of bays and smaller blocks.

Over a period the Soil Conservation Service has sent its message forward in many publications on field days. The journal of the Soil Conservation Service of New South Wales is one of the better publications and is less expensive to print. It compares favourably with the journal produced by the Department of Main Roads, which contains magnificent photos and is produced by an expensive publicity section of some twenty-five men and has a budget of a quarter of a million dollars. One wonders at the practical benefit of this glossy publication. The journal of the Soil Conservation Service disseminates its message, but has a difficult row to hoe. There is a conservative element, fortunately, among many of the primary producers that sometimes resists the odd change. As a result some of the more modern techniques pertaining to soil conservation are resisted. Gradually, however, that message is being spread abroad. Overall the service has a good reputation but it faces an unenviable task with a lot more work to be done.

The Minister has brought forward a measure that takes further steps towards upgrading and revamping the legislation. The Opposition supports the measure, but I seek to deal with the bill in a little more detail. One often wonders how members of the public could possibly understand some of the legislation that comes before the Parliament. There are some new members in the House tonight who may not have read page 4 of the bill. When they do they will be confused. The proposed amendment to section 21A (c) is "Omit '1974;'; insert instead '1974.'" That is a **magnificent** statement to be incorporated in legislation. The public and many members in this Chamber would wonder why expensive legislation would include that magnificent statement, yet there is a reasonable and logical explanation. The difference is that after the first "1974", occurring on line 5, there is a semicolon, and after the second "1974" on line 5 there is a full stop. The amendment proposed is to add one comma below a dot. This is necessary to adjust the principal Act. That is an example of the difficulty to comprehend the amending legislation.

The streamlining provisions and increases in powers of the Soil Conservation Service in terms of notification are all reasonable and necessary for protecting catchment areas from erosion into the State's water courses and water storages. There is always a possibility that a step will be taken in error by the Soil Conservation Service or the Catchment Areas Protection Board. It is interesting to note that this time round the Minister has ensured that there is a right of appeal under the terms of the measure. The bill is a sensible and logical one that will not give lawyers an enormous cake to eat while they engage in the expensive process of litigation. I am pleased that no lawyers are present in the Chamber, for I can safely say it is reasonable that lawyers will not be able to litigate for ever on appeals arising under this amendment.

I commend the Minister and the Soil Conservation Service for providing that the local land board shall be used for determining appeals. The Minister said that in keeping with Government policy of allowing the right of objection against the decision of government departments and bodies these appeal provisions have been included. Only 24 hours ago he voted against irrigators and other water users having a right of appeal. As that matter is outside the ambit of the bill and different circumstances apply, I shall not dwell on it. We welcome these revamping provisions and the provision for a right of appeal. The Opposition recognizes the importance of protecting areas subject to erosion, particularly along key watercourses and areas where water storages are involved.

Mr Fischer]

Some water storage facilities are still at the planning stage. I refer particularly to the Glennies Creek dam proposal in the electorate of the honourable member for Upper Hunter. An environmental statement has been published. The dam will have a relatively small compressed earth and rock wall. A number of trees in the catchment area will be removed. That will be in order as the catchment area will be inundated upstream from the dam wall. The construction will require also the removal of certain fill from downstream which may require the removal of some trees. I ask the Minister to inform the House whether the Soil Conservation Service and the Catchment Areas Protection Board under the provisions of the measure can force another government department or the construction branch of the Water Resources Commission to meet all the requirements that individual landowners will be forced to meet. The same conditions should apply to a government constructing authority such as that which may be used in the Glennies Creek dam, as apply to private landowners and other citizens. From my reading of the bill this is an area of grey. I ask the Minister to clarify this matter at the second reading stage and thus save going into committee.

The bill deals with a number of other detailed matters, some consequential and others associated with the Water (Soil Conservation) Amendment Bill. I do not propose to go into all these matters as the Opposition supports the bill. One aspect deserving of my comment concerns the appointment of assistant commissioner. The current journal of the Soil Conservation Service refers to a Bob Roberts who was the chief commissioner in the Northern Territory. One could not imagine a more healthy person. At the age of 36 he was head of the Soil Conservation Service in the Northern Territory. Recently he died when participating in the Darwin to City annual surf race. There is some danger in participating in that type of activity.

Mr Gordon: I assure the honourable member that it will not happen to any of our commissioners.

Mr FISCHER: I accept the Minister's assurance that none of the New South Wales commissioners will attempt to participate in the city to surf event in Sydney. In view of the buildup in work associated with the Soil Conservation Service, the appointment of an assistant commissioner is desirable. The Opposition suggests that there should be a careful monitoring of the size of the bureaucracy. The title assistant commissioner is consistent with that of the senior officers of many other departments which have a commissioner and under him a number of assistant commissioners. In the case of the Soil Conservation Service the appointment of one assistant commissioner is reasonable. The Water Resources Commission has a chief commissioner and two other commissioners. There should be consistency and for that reason alone I am pleased that the Minister has adhered to the titles of commissioner and assistant commissioner. The Opposition welcomes the bill. It is in keeping with the solid track record of the Soil Conservation Service which goes back to 1938 when the original Act was brought forward by the coalition Government. I ask the Minister whether Government departments such as constructing authorities and similar instrumentalities will be subject to the same conditions as individuals will be subjected to under the provisions of the bill.

Mr FREUDENSTEIN (Young) [9.46]: I did not intend to speak on the bill but in view of the Minister's political speech I consider it necessary to say a few words on it. The Minister's speech reminded me of the legal maxim that I can commit the crime but morally I am not guilty. Although he expressed support for the Soil Conservation Service, he was trying to square off for the fact that no money was being provided for that service. The Minister referred to the 1938 and 1972 legislation. I remind the House that at those times a Liberal-Country party government was in office. That service was founded by the Liberal-Country party in 1938. The

1972 amending legislation was brought before the House by the Hon. Wal. Fyfe, who was a member of the former Government. I was amazed to hear the political nature of the Minister's second reading speech. Normally a second reading speech can be taken into any court and used as an interpretation of a bill's provisions.

I am becoming tired of Nifty Neville and his great public relations section of the Premier's Department with its massive expenditure. Speeches prepared by the various services are being altered to give them a political flavour. The Minister could not be less able to deliver them as he is not dedicated to the Soil Conservation Service or the water services of New South Wales. Any Minister who was dedicated to those services would not deliver the type of speech that he did tonight. He mentioned soil, water and forests. The Liberal-Country party established the Soil Conservation Service, the Water Conservation and Irrigation Commission and the Forestry Commission. The Minister's endeavour to claim credit for those three great services is an indictment of the Premier's public relations service that operates at a cost of millions of dollars to New South Wales taxpayers.

Although the Opposition supports the bill, legislation that is brought before this House should provide any explanation rather than be a squaring off, which is what has happened tonight. The Minister should be ashamed for bringing forward a measure that amends, corrects and adjusts the legislation that was introduced in 1972. The former Government realized that there were certain difficulties experienced by landholders. The present legislation does not go far enough in correcting the difficulties experienced by landholders although it goes a certain distance towards doing that. For that reason the Opposition supports the measure.

I am pleased that the Catchment Area Protection Board has returned certain powers to the Soil Conservation Service which possibly the former Government should never have taken from that service. The former Government did that because it was a democratic government, an open government. The present Government is not democratic and open. The Government does not explain things. The Ministers make political speeches rather than explanatory speeches. Problems associated with the legislation in 1972 were recognized by the board that the former Government set up. This measure is to correct something that was found out after the board was established. The former Government had the commonsense to establish a board of members with practical experience. It was willing to hand back certain powers to the Soil Conservation Service. I praise the board for that. The Minister is now handing back these powers. He said so in his speech. This matter concerns tree cover and the banana growers on the north coast of New South Wales who are experiencing some difficulties. The former Government made stringent regulations with regard to the clearing of land for banana plantations. The regulations were vital because the rivers were being silted up. The Minister explained that in his second reading speech.

The Minister virtually claimed credit for what had been done over the years by the Soil Conservation Service when all he did was give words to it. The McKell Government was exactly the same. I am informed that the Hon. Roy Vincent who was then the Minister for Conservation was told that the Labor Party would support him and give him every encouragement. At the next election the Liberal Party and Country Party went out of office and Premier McKell grasped conservation as a weapon to try to defeat the Country Party in the rural areas of New South Wales. He did not succeed. He won five or six seats but the Country Party won them back over a period. McKell used it effectively at that stage. He gave voice to conservation. He committed the crime. He failed to accept moral responsibility because he did not give the service any money to carry on. Nor has any other Labor Government done that over the years. It was rather an indictment: when the Liberal and Country Party government assumed office the Soil Conservation Service was running down.

Mr Freudenstein]

I was spending \$200,000 a year to replace machinery but the Labor Government had spent only about \$20,000 to \$30,000 a year over the years. The publication that the honourable member for Sturt produced showed a new piece of machinery that had been brought in to work in the Cobar area. It was one piece of machinery and had taken many years to obtain.

During the Minister's term of office in the last quarter of June people in offices all over New South Wales were sitting on their backsides. They were not only soil conservationists but also plant operators to whom the Government would not give money to carry on. Yet, the Minister talks about unemployment and correcting the situation. The fact is that the Government would not provide vehicle mileage for supervision of the work or time in the office. It would not pay the operators. What was the point in the Minister saying, as he did in his speech, that the McKell Government set up the plant hire service? The Minister says that he is guilty but that he is not morally guilty. He is guilty. He failed to give money to the service. He is morally guilty because he is the most reticent Minister in Cabinet. He does not put forward the requirements of the service and is defeated every time. It is a condemnation of the Government he represents.

That Government pretends to represent forcefully the interests of country people but does not do that at all. It does not truly put its heart into providing vitally needed funds. This is a vitally necessary operation—it is the preservation of Australia. Honourable members have seen the ravages of the rabbit and damage caused by poor farming, wind and other natural elements. An education programme is necessary. The Government has the service which was established by the former Government. The Government should give the service money to carry on with its work. I doubt whether the Minister will have the courage in Cabinet to give the service the support it needs.

Mr WEST (Orange) [9.57]: I have been inspired to join my colleagues and to say a few words about the measure. I support it wholeheartedly and welcome it. The thing that concerned me was what the Minister said in his initial comments. My colleague, the honourable member for Young, has referred to the political speech to which honourable members have been subjected tonight. It amazed me that a Labor Minister should praise the work of his Government in relation to soil conservation. In early 1976 when I was endeavouring to enter the Parliament I remember that the former Government engaged in much debate and suffered many heartaches in coming to a decision to extend the services and activities of this magnificent service. The service is well known and well respected throughout the rural community. The service was to move, as part of the programme of decentralization, to an area where it could more effectively implement the policies that are so worthwhile to rural New South Wales. I remind the Minister that the Leader of the Opposition at that time, who is now Premier, in 1976, in his general election speech castigated the Liberal Party and Country Party for having moved only one government department to a country area. The Central Mapping Authority had been moved to Bathurst. The Government at that time also had plans in motion to move the Soil Conservation Service. What has the Labor Government done?

[Interruption]

Mr WEST: The honourable member for Monaro attempts to interject. He ought to hang his head in shame. He should tell his country constituents what his party has done since it has been in office. If he wants the call I am sure that Mr Speaker will give it to him.

[Interruption]

Mr SPEAKER: Order! The honourable member for Monaro will desist from interjecting.

Mr WEST: It is a dreadful shame. The Minister had the gall to claim what a wonderful job his Government has done for a government department. In his second reading speech the Minister said that the purpose of the bills is to intensify and expand the activities of the Soil Conservation Service. There is no doubt that the bills do exactly that. Why has not the Minister accepted that his Government has failed to do these things? It has failed to extend the activities of the service. It failed because it does not accept decentralization concepts. The Government claimed that it would cost \$6 million to move the service to Orange. That is not correct. By the proposals established by the former Government the Government Insurance Office was to erect the building at a much lower figure than that. The only thing that the Minister did not want to do was to travel to Orange to see his department.

Mr Gordon: I would never go there.

Mr WEST: It is a pity that you do not go to Orange and look after some of the things that need doing there. Every time you do go there, you make promises that you know you can never fulfil. We on this side of the House should acknowledge that as a result of this Government's decisions and attitudes no government department in New South Wales will ever be decentralized. No government will ever bring a department's headquarters to a country area. I do not want to go into all the details. The members of the Soil Conservation Service know how the government of the day let them down. I believe that enough has been said on this issue.

I conclude by saying that there is no doubt that the people in the rural areas of New South Wales admire the work of the Soil Conservation Service. As my colleague the honourable member for Young said, let us give them the chance and the financial stability and the backing to get out and help farmers in practical agriculture in the wonderful rural areas of New South Wales, so that future generations can carry on the practice of farming and help the export industries of this country and also maintain the home market for foods.

Mr J. H. BROWN (Raleigh) [10.3]: I want to make a brief reference to the bills before the House. I do not think that we could bring forward any more important legislation than that appertaining to soil conservation. Without the soil and the good land we cannot do much in this nation by ourselves. I pay a tribute to the Soil Conservation Service for the work it has done. I have had a good deal to do with the officers of that department. The head of the North Coast office of the Soil Conservation Service is located in my electorate.

Mr Gordon: Perhaps I shall change that.

Mr J. H. BROWN: You have taken enough things out of the country areas **now**, without taking another office away from me. I want to pay a tribute to Roy Vincent, the former member for Raleigh, who brought the original bill before Parliament and virtually assured the establishment of the Soil Conservation Service. This was confirmed by two very eminent former members of this Parliament. One was the late Sir Michael Bruxner who wrote me a letter when I was nailing to the Vincent tree—a giant flood gum, a *eucalyptus grandis* in Bruxner park—a plaque to perpetuate the memory of Roy Vincent. Incidentally, this magnificent tree is 215 feet high. It will be there for hundreds of years to commemorate this man.

The other man who told me about Roy Vincent and the Soil Conservation Service was Sir William McKell. On one occasion I met him in the House and he asked me what was my electorate. When I told him that it was Raleigh he said that my predecessor was a great member of this Parliament who would always be remembered for his endeavours in connection with the establishment of the Soil Conservation Service. He said it was fair to say that some city members of his Government thought that this was an unusual idea. Roy Vincent had discussed it with Sir William, who then assured him that he had his full support. Roy Vincent was able to convince his Cabinet and the bill went through the House. Those two gentlemen were two of the greatest men who ever sat in this Parliament.

I want to touch on a rather serious matter that I should like the Minister to take particular note of. A couple of months ago in Kempsey a foreman of the Soil Conservation Service was killed when a bulldozer that he was operating rolled over. He was doing some work in connection with a ripping programme, clearing a slope, and the bulldozer overturned. At the coronial inquiry the coroner stated that the man would not have been killed had this piece of machinery been fitted with a safety rail cab. He went on to say that it was not normal practice for soil conservation bulldozers to be fitted with such safety rail cabs. A senior officer of the department said in evidence that he had not seen a bulldozer used by the department fitted with a safety cab. Apart from the cost, he knew of no reason why cabs should not be fitted.

I am not blaming anyone for this accident, but I hope that as a result of it and the statement by the coroner the plant and machinery of the Soil Conservation Service are fitted with safety cabs. It has been a matter of great concern to governments of different political persuasions to ensure that men who go about earning their daily bread are protected. As a Parliament we should give a lead in this matter. I hope the Minister can assure me that if the equipment has not yet been fitted with these safety rail cabs—and the time has been rather short since the accident on 25th August when the foreman was killed—instructions will certainly go out directing that this be done. We have a responsibility to all the people in the work force, whether they be in private industry or employed by the Government, to make sure that their conditions of employment are such that, if possible, they do not sustain an injury, let alone are killed at work. I welcome the bill. Anything that will give greater protection to the wonderful soils of our nation is to be commended. I support the motion before the House.

Mr SINGLETON (Clarence) [10.8]: I rise to support my colleagues on this bill and to mention particularly the fact that the bill makes no mention of the banana growing industry on the north coast of New South Wales. I feel it is further interfering with the freedom of action that the previous legislation gave to banana growers. I hope the Minister will clarify this point in his reply because it concerns me greatly. I had the pleasure of being on the first committee that delved into this subject in 1971–72 before it was introduced in a bill dealt with by the Hon. Wal Fife, the Minister of the day. It concerned me greatly that banana growers could be placed in jeopardy at that particular time. I notice that in the measure now under consideration again the banana industry receives no mention.

I want the Minister to assure the House and the banana industry that its present activities will not be affected. There is far too much legislation these days in this State—in all States, in fact—that interferes with and brings about a further erosion of freedom of enterprise and action. This trend if continued must in the end affect people's ability to do things for their own individual benefit and for the common benefit of the community. The banana industry is probably the best organized and most ably run rural industry in New South Wales. It is most concerned about maintaining

freedom of action. People engaged in banana growing use the steep slopes of the north coast of New South Wales, and the retention of soil on those slopes is of the utmost concern to them.

Mr Akister: That is what this bill is all about.

Mr SINGLETON: I do not believe that government controls help anyone. They rather tend to get people's backs up. The success of soil conservation projects depends heavily upon the people who manage properties and the local inspectors. The legislation of 1972 was excellent. I pay tribute to the people associated with the department and the board. They have done a wonderful job throughout the State. The board members are practical men, and that has been the secret of its success. I hope the Minister will ensure that the people who run the Soil Conservation Service and the Catchment Areas Protection Board will have practical experience and ability. I hope the needs of people involved in the banana growing industry will be met.

Mr GORDON (Murrumbidgee), Minister for Conservation and Minister for Water Resources [10.12], in reply: I wish to reply briefly to some comments made by members opposite. Regrettably they seemed to indulge more in abuse of me and the Government than in contributing to the debate.

Mr J. H. Brown: The Minister should not have mentioned those things in his speech.

Mr SPEAKER: Order! The honourable member for Raleigh has already made his contribution to this debate.

Mr GORDON: The honourable member for Sturt asked about Glennies Creek and said that under the 1972 Act it was exempt. That is true. The Water Resources Commission and the Forestry Commission are represented on the Catchment Areas Protection Board. The aim of those two government instrumentalities is to preserve catchment areas and to prevent siltation. Though exempt, they will not do anything to cause siltation of the Glennies Creek dam area. The honourable member for Sturt referred to the right of appeal and compared these bills to those relating to the Water Act and the Irrigation Act dealt with by the Parliament last night. There is absolutely no comparison. They are quite different. In this case there could be a basis for an appeal. However, there is no basis for appeal in the other measures dealt with last night, as was suggested by the honourable member in his contribution to that debate. Today I received two deputations from primary producers and I took the opportunity to ask their views on this matter. I informed them what the honourable member for Sturt suggested in his assumptive amendment clause. I should not be allowed to tell the House what those primary producers said about the honourable member for Sturt; it would be unparliamentary.

The honourable member for Young said that the former Government had spent \$200 million a year, though he corrected himself and said it was only \$200,000, on plant and equipment. In the first year of office the Wran Government, which members opposite said had done nothing with regard to plant, spent \$2 million on this type of equipment. The New South Wales Government has the largest fleet of crawler-tractors in the world. The honourable member told us that the coalition Government spent \$200,000 on plant. He thought that that was good. This Government has spent \$2 million. In fact, last year the Soil Conservation Service enjoyed an income of \$4 million from hire charges. Obviously it is not a small tinpot show as suggested by the Opposition. The honourable member for Orange contributed to the debate but did not really say anything.

I thank the honourable member for Raleigh for his comments. He invited attention to an unfortunate fatal accident involving one of the department's foremen. Regrettably, accidents will always happen when heavy plant is being used. Drivers attempt to take plant up a bank of soft soil which is not compacted and the equipment rolls. All tractors belonging to the department have now been fitted with pipe safety cabs. A new safety cab has been designed and progressively is being fitted to all the Soil Conservation Service tractors. Regrettably, there was not such a device on the tractor that Bruce White was operating. That was a very unfortunate accident. So far as I am concerned, everything will be done as soon as possible to correct that situation.

The honourable member for Clarence talked about banana growers. He had a bit each way. The amendments contained in this legislation will in no way interfere with the good management of a banana plantation. They will in no way affect ordinary management techniques. Permission will be required only when there is to be whole-sale removal of a plantation. In this way soil on hillsides will be protected. The honourable member for Clarence said banana growers get a rough deal. One of the deals that some banana growers got arose out of the revocation of the Orara national forest. It will result in nine or ten of them having far better title to their land than the coalition Government offered them.

Motion agreed to.

Bills read a second time together.

Third Reading

By leave, bills read a third time together, on motion by Mr Gordon.

PUBLIC WORKS (AMENDMENT) BILL

Second Reading

Mr FERGUSON (Merrylands), Deputy Premier, Minister for Public Works and Minister for Ports [10.17]: I move:

That this bill be now read a second time.

Under section 34 (2) of the Public Works Act, 1912, the Governor may authorize a public work, the estimated cost of which does not exceed \$400,000. This provision makes it unnecessary to introduce an enabling Act to undertake works costing \$400,000 or less. The limit of \$400,000 contained in the Act was imposed seventeen years ago—in 1961—when it was increased from the figure of \$40,000 then in the Act. As I intimated in my introductory remarks, the amendment proposed in the bill is simple. It increases the limit from \$400,000 to \$1 million. Taking into account the inroads of inflation over the past seventeen years, the present-day proportional increase from \$400,000 would certainly be greater than \$1 million. Nevertheless, the Government believes the figure of \$1 million to be appropriate. It will, at least for the time being, allow sufficient flexibility within the construction programmes of the public authorities concerned.

Honourable members are no doubt aware that the Act provides also that some works exceeding \$400,000 in value may be authorized by the Governor. Such works include schools, hospitals and other public buildings and works for water supply and sewerage. At present the Department of Public Works is spending \$1 million a day on construction of the Westmead Hospital. In actual practice, by far the greater proportion of the Government's construction programme is carried out with the Governor's

authorization. If this were not the case, the time of this House would be constantly occupied in passing enabling legislation for a multiplicity of projects. Nevertheless, the provision remains in the Act that certain classes of work require the sanction of Parliament. These are mainly works of an engineering character, such as harbour works.

I invite the attention of the House to the fact that under section 7 of the Public Works Act, 1912, a standing committee on public works is constituted. I do not want to go into a long outline of the constitution and history of the Public Works Committee, but I point out that it was first set up by Sir Henry Parkes in 1888. Since then various statutes have progressively excluded from the functions of the committee works including public buildings, works of water supply, sewerage and drainage, flood mitigation schemes and works authorized to be constructed by local government authorities; and also works sanctioned in general terms by numerous Acts of Parliament, including works undertaken by such authorities as the various water boards, the Electricity Commission, the Department of Main Roads and the Maritime Services Board.

The committee ceased to function in 1930 during the term of the then Labor Government, and it has not functioned since. The reasons for the committee's ceasing its activities are not recorded. I think it would be true to say that with the passage of time the committee became redundant. No doubt it served a purpose in the early days when New South Wales was a colony. As I have already indicated, the progressive scaling down of the works that formerly came within the scope of the committee reduced its functions to the point where only a very small proportion of public works could be referred to it. All honourable members will agree that the responsibility for executive action rests squarely with the Government. The expenditure of funds is a major responsibility of government and it would be quite improper that the right and responsibility of the Government to decide major matters of finance should be restricted by the findings of a committee.

Having given this brief explanation of the background to the committee, I point out that when the Act was last amended in 1961 the reference to the limit of \$40,000, as it was then, in section 24 of the Act was not changed. When the present amendment came up for consideration the Parliamentary Counsel advised the Government that in his opinion the section should be altered so as to remove any difficulty that might arise in event of a future government's deciding to appoint a committee. The Government has no intention of reappointing the committee at this stage, but at the same time is willing to accept the Parliamentary Counsel's advice. It is therefore intended to amend also section 24 of the Act, to provide for a consistent figure of \$1 million throughout.

I turn to the clauses of the bill. Clause 1 contains the short title. Clause 2 sets out the schedules. Clause 3 effects the amendments set forth in the schedules. Schedule 1 amends section 24 to increase the amount of \$40,000 to \$1 million and section 34 to increase \$400,000 wherever occurring to \$1 million. Schedule 2 contains amendments to the Public Works Act, 1912, by way of statute law revision. The amendments correct seven spelling errors and insert a word that was omitted, all arising from the original 1912 incorporation of the Public Works Act. I commend the bill to the House.

Mr FREUDENSTEIN (Young) [10.25]: The proposal before the House appears to legalize certain works that have already been carried out and some that the Government proposes to carry out in the future. I state quite definitely that a number of public works have been carried out illegally by this Government and, indeed, by the Government of which I was a member. The passing of this bill through the Parliament may lessen the amount by which we have exceeded the total over the years, but it will

only lessen to a limited extent the degree to which each government went bad. Part II, section 6, of the original Public Works Act, 1912, made it mandatory for this Parliament to appoint a public works committee. In the whole time that I have been a member of this House, which is the same time as the Deputy Premier has been a member, I have never seen the Public Works Committee operate. It is something of a tragedy that that section of the Act has never been amended. I do not believe it is effective today, because of the terms in which it was originally laid down. However, where there was to be major expenditure on public works it would have been useful to be able to refer the matter to a public works committee. Part II, section 7, of the Public Works Act provides:

In every Parliament, a Committee of Members of the Legislative Council and Legislative Assembly, to be called the "Parliamentary Standing Committee on Public Works", shall be elected in a manner hereinafter provided.

It proceeds to lay down how the Public Works Committee shall be established. I shall not take the time of the House to suggest how a committee should be established. This Parliament does not have such a committee today, nor has it had one since 1930. The obvious reason is that this is an antiquated Act. However, the Government of which I was a member did not bring it back to Parliament for amendment. Now that it is before the House, why has that section not been taken out? It is a ridiculous provision, going back to the horse-and-buggy days of 1912. At that time the growth that has since occurred could not have been envisaged. It could not have been envisaged that there would be inflation to the extent that it has occurred—and I refer not to inflation as it affects the cost of building, but to inflation through demographic pattern changes. In the two post-war periods there was a rapid increase in population. The greatest demands upon the present Minister's portfolio and the past Minister's portfolio have been demands created by population growth. People today seek a better quality of life; they are not content with the old weatherboard shack that would have served as a school building. Today they want the best. It is wrong of me to mention a school building as it does not relate to this Act. People are not content with a shoddy building; they want some permanency in buildings.

The Act restricts any government from endeavouring to build for the future. I do not oppose the bill, for I believe that although Parliament should have a reserve power, unless ministerial power can be exercised the Government will not be able to get on with its job. A committee consisting of three members of the Legislative Council and four members of this House, superimposed upon the Government, the Treasury, the Department of Public Works or any other utility in the State trying to get on with the job, would stop action and hinder progress. If anyone needs action today it is the people of this State, where unemployment is rife.

The Opposition does not object to the limit contained in section 34 of the Act being raised from **\$400,000** to \$1 million. The Public Works Committee, which is representative of this House, has a purpose. Had the former **Premier** under whom I was a Minister acted correctly he would have referred the eastern suburbs railway to a public works committee. Similarly, had the Cahill Government operated correctly it would have referred the Opera House to a similar committee of this Chamber. The State office block should have been referred to that type of committee. The Sydney harbour bridge was referred to a public works committee as was the Sandy Hollow to **Maryvale** railway line. That public **works** committee came up with answers that unfortunately were not the right ones at the time.

I am concerned that time should not be wasted and that is why I am willing on behalf of the Opposition to express our support for the legislation. Ministerial authority, provided there is a reporting back to the Parliament, is a vital part of democratic government. We will get a report back to the Parliament if the Auditor-General and others do their jobs thoroughly. There is room for one-off with every type of operation, for which special committees of the Parliament should be established to examine the matter. The establishment of a committee is referred to in the initial part of the Act. Every Parliament should have a public works committee. It is wrong for a Government not to establish such a committee. The Premier has stated that a major entertainment centre will be built in the old markets area. That type of proposal which involves major expenditure should be examined by a special committee of this House, not at the proposal stage but when the tenders are received.

From my considerable experience in this House, including several ministries, I am aware that the Treasury places restrictions upon decisions made by Ministers. Restrictions are placed on Ministers by Cabinet priorities. All sorts of restrictions prevent Ministers from getting on with the job that they should be doing. Each year as the House passes the Loan Estimates an allocation should be made for public works. Loan Estimates should be given to each Minister and within the confines of that money that he has available, he should be able to spend it. When I was responsible for the former Water Conservation and Irrigation Commission an allocation of some millions of dollars was made each year. I, as the Minister responsible, and the Water Resources Commissioner, as he is now known, had to set a pattern for development subject to the amount of money allocated by Cabinet. That was easy. During my period of office as a Minister I formed the impression that the Department of Public Works was not with it, if I may use that expression. I cannot recall a project planned by that department which did not need additional funds. This may have been caused by the loss of money values.

Members of the public service, particularly the officers of the Department of Public Works, should on occasions go out into the world to observe what is happening in the competitive markets. That should enable them to present, particularly in the architectural and survey fields, proper estimates to the Minister and to Cabinet. In my twenty years' experience as a member of this House I have never known of an estimate from the Department of Public Works on which I could completely rely. That department is always, like Oliver Twist, coming back for more. That is one reason why I support the proposal to raise the limit from \$400,000 to \$1 million. The Minister for Public Works is placed in a most difficult position when he has to keep asking for proper authority.

Somewhere along the line there must be an acceptance of ministerial authority without denigrating this Chamber's powers. It is wrong for the bill to provide that in every Parliament a committee shall be established. That is not necessary in every Parliament. I find it abhorrent for that provision to remain. If a Minister is willing to go round an Act one cannot expect to punish someone in private life who similarly goes round a bill of this nature. Control of the nature to which I have referred goes back many years. The legislation goes back to 1912. One cannot operate within the terms of an Act that has not been updated since that time.

Mr Sheahan: What were you doing in that time?

Mr FREUDENSTEIN: I was not Minister for Public Works and I did not have anything to do with that area of ministerial responsibility. The honourable member has touched on the right theme. I operated in areas which had commissions and boards that took away from this particular requirement. I have always opposed

the operations of boards and commissions as when they are established practically the first legislative provision is to delete the word Minister and replace it with the word commission. In that way power is taken away from the Minister and put in the hands of commissions.

When I was a Minister in the former Government I operated under a commission and therefore the Act did not apply to me. Thus I did not have to come back to Parliament to obtain approval to spend ~~\$40,000, \$200,000~~ or up to ~~\$400,000~~. Had I done so I would have seen that this Act was there and that I had acted illegally. I do not doubt that the Deputy Premier might consider that he has done something illegal and for that is the reason he has brought forward the bill. Somewhere along the line the Deputy Premier has acted outside the Act and spent more than ~~\$400,000~~.

Mr Sheahan: I am glad that the honourable member for Young is supporting the bill.

Mr FREUDENSTEIN: I am supporting it. This provision has been my great hatred over the years that the Act has been on the statute books. In the past six or seven months some people have been wandering across New South Wales trying to pick up a few votes and visiting Japan to sign contracts for generating plants and so on. As honourable members have heard today, some people have been purchasing helicopters and spending loan funds and doing things that would normally come within the purview of the Act, because they are using loan funds. Money spent in Japan and America does not create employment in Australia. The Minister is about to spend some money in New South Wales. I shall not be accused of holding up that sort of expenditure so tonight the Opposition will support the bill. It hopes that it will go through fairly rapidly and that some of the promises made, particularly in relation to Bathurst and a few other areas, will be kept.

Mr FERGUSON (Merrylands), Deputy Premier, Minister for Public Works and Minister for Ports [10.43], in reply: I thank the honourable member for Young who led for the Opposition. Sometimes I become worried when I receive support for legislation from the Opposition. I am afraid that my colleagues might say that I am up for examination. I point out that the bill does not validate anything that has been done as far as retrospectivity is concerned, or any illegal act. I introduced the bill because the Government decided that Lord Howe Island should have a new wharf. The estimate received was for ~~\$400,000~~. I have in my department a bill that has been prepared to bring that matter before the Parliament, to authorize expenditure of ~~\$450,000~~, which will require to be debated in the House. When the matter went to Cabinet it was decided that the present figure in ~~this~~ regard is ridiculous and that it should be put up to \$1 million. That is how the bill came to be introduced. The honourable member for Young said that the Public Works Department does not have the capacity to keep to estimates. It is to the eternal credit of the department and the Government that at Westmead \$1 million a week is being spent on a magnificent hospital complex. The job is on time and within the estimate.

Mr Freudenstein: They were our estimates—not like the Sydney Opera House.

Mr FERGUSON: Your estimates? It is a fast track system. Often people believe that the Public Works Department decides priorities in regard to schools, hospitals and public health centres. That is far from the truth. The Public Works Department builds for clients. Other departments decide the priorities. Having in mind the inflation that has been going on over such a long period, it would not be possible for any constructing authority to estimate the rate of inflation that will take place. Generally speaking, the Public Works Department does a reasonable job. I commend its officers. I thank the honourable member for Young for his support. I commend the bill to the House.

Motion agreed to.

Bill read a second time.

Third Reading

By leave, bill read a third time, on motion by Mr Ferguson.

ADJOURNMENT

Department of Agriculture Staff

Mr FERGUSON (Merrylands), Deputy Premier, Minister for Public Works and Minister for Ports [10.45], I move:

That this House do now adjourn.

Mr PARK (Tamworth) [10.45]: I wish to speak on a matter of deep concern to me, my colleagues on this side of the House, to people in my electorate and to country people generally. It is of deep concern to the officers and staff in the Department of Agriculture and their families and to those involved in primary production in New South Wales. I refer to the deletion of jobs in the Department of Agriculture. I have seen a list of 88 proposed deletions. In fact some of the deletions have occurred already. In answer to a question asked by the Leader of the Country Party on 23rd November the Minister for Agriculture devoted his entire answer to the question stressing that there was no lowering of morale in the department.

Mr Day: That is right, there is not.

Mr PARK: The Minister did not answer the question. He made an effort to put across the message that there was no lowering of morale in the department. I do not agree with him on that point. All who recognize the importance of agriculture in New South Wales are concerned at any reduction in services or lowering of priorities. People who think about these things are aware that primary producers account for more than 40 per cent of Australia's export trade earnings. That does not include earnings from minerals. New South Wales provides more than 40 per cent of Australia's export trade. Those officers whose positions have been deleted, but who have been upgraded, are probably happy enough. Those who have been left in limbo are not. I wish to refer more particularly to research scientists at agricultural research centres in experimental farms who have been left without the assistance of officers to help them. They are not happy about what is occurring. Further, the Public Service Association of New South Wales has stressed that it is alarmed and doubtless everyone is concerned for the future and would like to know if further deletions are to occur in 1979.

I am concerned about research for the poultry industry. Is the staff at the Seven Hills centre to be cut back? Will any cutback affect the industry, a large part of which is established in my electorate, in the general area of Tamworth, Narrabri and Glen Innes? At the research centres or experimental centres seven deletions had occurred before the present deletions that are proposed of which there are ten, making a total of seventeen. A peak was reached about a year ago and that number of seventeen represents about 12 per cent of the total field and research force of 150 officers in that area alone.

At **Tamworth** in the area of agriculture one field recording officer's position **has** been declared deleted. He has been upgraded to the position of markets officer which is a new position and is reasonably happy. The department at **Tamworth** has lost the services of a field recording officer. I understand that he was doing **an** important job. At the agricultural research centre at **Tamworth** two research assistants are involved. Over recent years one of those officers has been operating equipment known as an auto analyser. He has been involved in assessing plant and soil samples. That officer has been transferred to Goulburn and, after receiving some initial training, will become a pastures protection board field officer doing work involving noxious animals and insects.

That man is probably satisfied because he has been upgraded in terms of salary. However, the research centre is now without an important agricultural research **officer**. The second officer is a research assistant and his position, which has now been declared deleted, will not be filled. A job cannot be found for him at the present time, so he will be engaged until 30th June next year in research into breeding frost resistant wheat. Whilst that job may be important, he will be employed only until 30th June by the Wheat Industry Research Council. After that time his position again will be up for question.

The important point is that this particular officer has been involved in research into measures to control the lucerne aphid, which first appeared in New South Wales in the autumn of 1977, and has caused a great deal of damage to lucerne farms and areas where grazing lucerne is grown. I am concerned that an assistant has been taken away from this work and will not be available to at least one scientist at **Tamworth** who has been involved in a programme in determining measures to combat this very destructive insect. The work done *so* far has been good, but the job is nowhere near finished.

A lot has been said about departmental numbers. The whole situation seems to be most confusing because of four issues. First, the cattle tick programme under the previous Government was most successful, and as a result the staff of the Board of Tick Control was reduced as the need decreased. Second, the Wagga Wagga Agricultural College was incorporated with the Riverina College of Advanced Education on 1st January, 1976, and the Hawkesbury Agricultural College was gazetted a corporate institution on 19th March, 1976. The staff at these colleges, who are officers of the Department of Agriculture, were given the option of remaining with the department or transferring to the colleges. **As** far as I know, most of them opted to transfer from the department. The Orange Agricultural College is the only institution still under the control of the department, but I understand that arrangement will soon be changed.

There are approximately 4 000 people involved in the Department of Agriculture. The Premier himself, who is a master of deception, has confused the whole issue by quoting three sets of **figures**—staff establishment, staff ceilings, and current numbers. In addition, there are the anti-tuberculosis and anti-brucellosis campaigns, involving some 460 people, who are mainly funded by the Commonwealth. The Premier stated on 30th October that he was not able to meet Mr **Hammond**, the secretary of the Public Service Association, who subsequently has agreed to **meet**—

Mr SPEAKER: Order! The honourable member's time has expired.

Mr DAY (Casino), Minister for Agriculture [10.55]: It is a shame that the Country Party cannot **find** something original to talk about. The honourable member for Tamworth, with the usual humbug associated with the Country Party, has jumped on this bandwagon about staff reductions in the Department of Agriculture. **These** matters have been explained in this House until everybody is absolutely sick of the

subject. He knows that under the present Government the **staff** of the Department of Agriculture has increased, in direct **contrast** to what the Opposition did when it **was** in government. All the sniffing about the difficulties they faced **is** nothing short of hypocrisy. They reduced the **staff** of the Tick Control Board on the North Coast, but not on the basis of any increased efficiency. Indeed, they did reduce **the** quarantine area by even one acre. They did not displace these people; they sacked and retrenched them. **On** the other hand, not one person **has** been sacked under my **administration** since I have been Minister for Agriculture—and there will not be. The staff have benefited, and if the honourable member wants to talk about morale, he should realize that they did not know if they would have a job today or the next when you people had the reins. You had not one iota of sympathy or understanding for the human needs of your employees.

I am sick and tired of **all** this humbug and hypocrisy. The honourable member for **Tamworth** is interested in the lucerne aphid only because at the moment the Department of Agriculture has a lucerne aphid workshop in Tamworth. That is the only reason he knows anything about it. The lucerne aphid **problem** is under control, and was brought under control by this Government. There are four lucerne breeding programmes at present under way in Australia. Two lucerne breeders and **a** tester are employed full-time at Yanco. Another full-time tester is employed at Condobolin. Also, lucerne varieties have been imported from the United States. We have the problem of the lucerne aphid under control in this State, and we are well on the way to resolving the problem.

All this sniffing about **staff** movements is not contributing one iota to the resolution of the problems that face agriculture from time to time. No one, of course, will ever want to accept the fact that his job may have lost its importance. While we are in government we will continue to examine the effectiveness of the job done by everybody **in** the public service. To do anything less is to say that we are prepared to accept inefficiency and incompetence and that we would do away with the need to carry out certain functions. We propose that this department will be efficient and effective. The morale of the department is very high and will continue to be so while we guarantee the jobs and the status of the people who remain in the department. There is no need for anyone in the Department of Agriculture to fear for his job. If there is not a replacement for him when his job loses its importance, and he has to be replaced by somebody else, we guarantee to find him a job of an equivalent status and pay within the public service. That is more than you people ever did while in government. You had no regard for the welfare of the people who served agriculture faithfully all their lives. Under this Government these people are protected.

Motion agreed to.

House adjourned at 11 p.m.

QUESTIONS UPON NOTICE

The following questions upon notice and answers were circulated in *Questions and Answers* this day.

SYDNEY KINDERGARTEN TEACHERS' COLLEGE

Mr MOORE asked the Minister for **Education**—

- (1) **Has** the Government decided to implement the recommendation of the "Butland" committee concerning the amalgamation of the Sydney Kindergarten Teachers' College with the Alexander Mackie College, at Oatley?
- (2) Are the students and staff of the Sydney Kindergarten Teachers' College opposed to the amalgamation?
- (3) What reasons justify the recommendation of the **Butland** Report?

Answer—

(1) It will be recalled that in March of this year, I issued a statement on receipt of advice from the New South Wales Higher Education Board regarding the future of colleges of advanced education in the inner city area of Sydney (following the Board's endorsement in broad principle of the final recommendations of the Board Committee under the chairmanship of Emeritus Professor G. J. **Butland** which inquired into the matter).

In the main, the **Butland** Report recommendations related to the future of Sydney Teachers' College and three very small single-purpose teacher training institutions viz., The Guild Teachers' College, the Nursery School Teachers' College and the Sydney Kindergarten Teachers' College. With regard to the last mentioned institution the recommendation was that this institution should become part of the Alexander Mackie College of Advanced Education as a Centre for Early Childhood Education.

In my March statement, I indicated that I was not in a position to give the Government's views on the issues raised by the report and on the advice received from the Board. This is still the case. However, I am aware that throughout 1978 the Board has held discussions with a number of the interested institutions and organizations following my agreement to this line of action. I have been advised that the Board, in April, visited the Sydney Kindergarten Teachers' College at **Waverley** and met with representatives of the College Council and of the Staff. (I would mention that in March in the company of my colleague, the Honourable **Member** for Waverley, and Minister for Consumer **Affairs**, Housing and Co-operative Societies, I also visited the institution).

Regarding the future, it is my understanding that the Board is at present giving further consideration to the recommendations in the **Butland** Report in the light of the discussions referred to previously and the current circumstances and hopes to be in a position to provide me with further advice by the end of this year. I do not propose to take any action in the matter until I receive this additional advice from the Board except that it is my intention to extend the terms of office of the First Councils of both pre-school teachers colleges for a further twelve months rather than reconstitute them.

(2) Yes. I have also received many representations from individuals and organizations who are opposed to the recommendations of the **Butland** Report concerning the Sydney Kindergarten Teachers' College. All correspondents have been fully informed about the status of the **Butland** Report and provided with the relevant documentation including my statement.

(3) In brief the reasons given in the **Butland** Report for the ultimate abandonment of the **Waverley** site are—

- (a) the restricted nature of the site for the full development of a college of advanced education;
- (b) the unsatisfactory nature of the staff accommodation;
- (c) the need for a considerable capital development to bring the library and other facilities to an acceptable standard; and
- (d) the more economic operation possible if the college were part of a larger institution with greater shared facilities.

The educational considerations were seen to be of greater importance. The college proposes to introduce courses at degree level at some point in the future and there will be a need for a broader base of educational expertise to draw on. Also proposed developments at the post-graduate diploma level are seen as placing pressures on existing facilities.

Given that the Nursery School Teachers' College is also located in the inner city area (at **Newtown**) it was felt that the link with the Alexander **Mackie** College of Advanced Education with eventual transfer to its **Oatley** Campus would be a desirable decentralization of early childhood education.

I might add that the Higher Education Board is very concerned that any action that it proposes with regard to the future of the college would ensure that the special traditions, emphasis and values of the institution were not lost and, to this end, it is exploring structures of relationships which would guarantee **this** outcome.

INTERDEPARTMENTAL ACCOUNTING

Mr MOORE asked the Premier—

- (1) Will he act to remove the requirement that one State instrumentality pays another when it makes use of the services of that other instrumentality?
- (2) Will he place particular emphasis in his inquiries on fees paid by schools using such things as the State's waterways, which require a licence from the Maritime Services Board?
- (3) Will he look at the possibility of a book entry being more satisfactory than an exchange of money?

Answer—

I have been in touch with my colleague, the Treasurer, in relation to the questions raised by the honourable member and in response thereto the following information is provided:

Generally speaking, Departments financed from Consolidated Revenue do not pay one another for services rendered. Strict accounting would be costly and would serve little purpose. There are, however, some exceptions to this and where necessary full accountability is required, for example where **Commonwealth** recoupments of costs are involved.

On the other hand, statutory authorities operating with their own funds are in an entirely **different** position and again generally speaking would charge (or be charged by) Government Departments and authorities for services. In the main such authorities are required to be financially **autonomous**. The Maritime Services Board is such a financially autonomous body.

It is a firm Treasury practice to make accounting adjustments between Departments and authorities by internal transfer wherever practicable.

GORDON INTERSECTION

Mr MOORE asked the Minister for **Transport**—

- (1) What accidents have occurred over the past two years at the intersection of the Pacific Highway and Park Avenue, Gordon?
- (2) Has priority been given to the relocation of the pedestrian traffic signals outside the Council Chambers and public school to act as intersectional control on this intersection?
- (3) Have investigations been done on alternative methods of traffic control at this intersection to reduce the accident rate?
- (4) Have investigations taken place concerning the risk to which pupils at Gordon Public School are subjected by uncontrolled traffic at this intersection?

Answer—

(1) There have been 44 vehicular accidents at this site in the last two years. None of these accidents involved pedestrians using the marked crossings in Park Avenue.

(2) The question of installing intersectional signals at the Park Avenue junction has been considered on several occasions. Such signals would also have to incorporate the Dumaresq Street junction. However, the offset nature of **these** two junctions would result in an inefficient form of control with increased delays for Highway traffic and a reduction in the effectiveness of signal **co-**ordination.

(3) At present, the pedestrian signals near Dumaresq Street and Park Avenue are linked so that the red signal is displayed at **both** sites **simultaneously**. This arrangement provides reasonable gaps for **traffic** to turn right into Park Avenue or to leave it.

Full intersectional signals would prevent accidents involving vehicles turning right from Park Avenue. However, an increase in the number of rear end type accidents on the Highway and accidents involving vehicles turning right from the Highway could be expected. Also, as mentioned before, the signals would substantially increase traffic delays.

The most satisfactory solution would be to close the Highway median although it is recognized that this may meet some resistance **locally**. However, alternative access is available via the signals at St Johns Avenue and this aspect has been taken up with Ku-ring-gai Municipal Council. The honourable member's views will, of course, be sought at the appropriate time.

(4) Pedestrian crossings are presently marked on Park Avenue at the Highway junction and at a point some 40 metres east of that site. Observations did not reveal that school children experienced any undue **difficulty** or delay in using either crossing and it was noted that crossing flags are displayed at both sites before and after school.

Traffic volumes are low and vehicles were seen to generally travel at a slow speed. A "Give Way" sign is erected on Park Avenue at the Highway. **Also**, as mentioned in (1) above, there have been no reported accidents involving school children at either crossing in at least the last two years.

PRIVET

Mr MOORE asked the Minister for Agriculture—

- (1) What research, if any, is being undertaken into forms of biological control of privet?
- (2) Is progress being made in such control of privet?
- (3) Is the Government supporting any projects to control privet?

Answer—

(1) There has been no research undertaken into forms of biological control of privet in this country, or as far as I am aware, in any other country.

(2) A necessary pre-requisite for successful use of biological control agents is that these are found to be active in other countries. In the absence of any studies of the activity of organisms on **privet** overseas, it would be necessary **initially** to undertake a very expensive programme to search for such organisms. This State has no facilities for such work and it is very doubtful if the CSIRO would be interested unless financially supported by New South Wales. Other research organisations in Australia who have an interest in biological control do not have a problem with privet and therefore **could** not be expected to be interested.

However, I will ensure that the Working Party on Exotic Weeds of Urban **Bushlands** does not **overlook** the possibility of biological control of privet.

(3) An amount was included in the last budget for the Department of Agriculture to initiate a joint research project with the **Macquarie** University into the control of privet in urban bushlands. This project will be financed by the Department of Agriculture and supervised by Macquarie University. It is expected to commence early in 1979 when the officer **nominated** by the University will become available to supervise the project.

JAZZ STUDIES

Mr MAHER asked the Minister for Education—

- (1) How many students have enrolled annually in Jazz Studies at the New South Wales **Conservatorium** of Music since **1973**?
- (2) How many applicants were rejected each year?
- (3) What tuition fees were collected annually from enrolled students?
- (4) What were the operating costs and salaries paid in each year in the Jazz Studies course?

Answer—

(1) The number of students enrolled in courses provided by the New South Wales State Conservatorium of Music's Department of **Jazz** Studies are:

						<i>Extension Studies</i>	<i>Ass.Dip. Jazz Studies</i>
1973	..	..	..	..	..	—	—
1974	..	..	..	..	..	134	—
1975	..	..	..	..	..	151	—
1976	..	..	..	..	..	160	—
1977	..	..	..	..	..	156	7
1978	..	..	..	..	..	148	14

(2) The Conservatorium does not keep records of numbers of students who apply for but who are not accepted into, the various courses being offered.

(3)									\$
1973	..	..	..	..	..	..	..	..	NIL
1974	..	..	..	..	..	..	..	..	21,390
1975	..	..	..	..	..	..	..	..	28,267
1976	..	..	..	..	..	..	..	..	21,014
1977	..	..	..	..	..	..	..	..	29,519
1978	..	..	..	..	..	..	..	..	31,436

(4)									
1973	..	..	..	..	..	..	..	..	NIL
1974	..	..	..	..	..	..	..	..	11,095
1975	..	..	..	..	..	..	..	..	18,648
1976	..	..	..	..	..	..	..	..	21,887
1977	..	..	..	..	..	..	..	..	31,663
1978	..	..	..	..	..	..	..	..	34,039

* The above figures relate to salaries only—payments do not include overhead costs such as telephone, power, lights, stores and equipment etc.

DEGREE COURSES IN MUSIC

Mr MAHER asked the Minister for Education—

Why are students enrolled in Degree Courses at the New South Wales Conservatorium of Music not permitted to undertake the course known as **Jazz** Studies?

Answer—

The B.A. (Mus) course offered by the New South Wales State Conservatorium of Music is a full-time tertiary course. The Conservatorium regulations do not permit students enrolled in the degree course to enrol concurrently in any other course offered by the Conservatorium. Students in the B.A. (Mus) course however are permitted to elect to take units from courses offered in the Department of Jazz Studies. A number of students in the B.A. (Mus) course elected to take Jazz Studies units in the February Semester, 1978.

PIANO TUNING COURSE

Mr **MAHER** asked the Minister for Education —

How many persons are enrolled at the New South Wales Conservatorium of Music in the Piano Tuners' Course?

Answer—

A maximum number of six persons are enrolled each year in this course.

CONSERVATORIUM OF MUSIC PIANOS

Mr **MAHER** asked the Minister for Education —

When are students' pianos tuned at the New South Wales Conservatorium of Music?

Answer—

All studio pianos are tuned at least once each semester. Requests for additional tunings from staff and/or students are given immediate attention by the New South Wales State Conservatorium of Music's School of Piano Tuning Technology.

ETHNIC AFFAIRS COMMISSION

Mr **MAHER** asked the Premier—

- (1) Has the Government adopted in principle the report of the Ethnic Affairs commission?
- (2) Will legislation be introduced to establish the Commission on a permanent basis?
- (3) (a) Will full-time commissioners, in addition to the chairman, be appointed throughout the State in order to implement the report fully and effectively?
(b) If so, when?
- (4) In what priority will the recommendations of the commission be implemented?

Answer—

- (1) The Government has received and is considering the Report of the Ethnic Affairs Commission.
- (2) It was announced prior to the recent State Election that the Government would legislate for the establishment of a permanent commission. Draft legislation will be prepared shortly.
- (3) This matter has not yet been determined.
- (4) The Chairman of the Commission has been asked to identify the priority for implementation of the recommendations in order that this might be taken into account by the Government in its consideration of the Report.

HORSE DOPING

(1) Why have Rodney John Finlay, Rodney Stanislaus Finlay, Peter James Francis and Gregory John McNamara not been brought to trial on horse doping charges when they were committed for trial on January 12 this year?

(2) Has a spokesman for his department stated that none of the four men had applied for a no-bill?

Mr BOYD asked the Attorney-General and Minister of Justice—

Answer—

(1) The Crown Prosecutor to whom these cases were assigned for the purpose of finding a bill sought further investigation of the matters, and will, I am advised, be in a position to make a determination in the near future.

(2) The statement, if made, is correct.

ESPERANCE BAY COMPANY LIMITED

Mr MADDISON asked the Attorney-General and Minister of Justice—

(1) Has the Corporate Affairs Commission been put on notice of a complaint by minority shareholders in Esperance Bay Company Limited as to a **take-over** offer for their shares promised by the majority shareholder in that company?

(2) (a) Was the annual meeting of the company adjourned to allow such offer to be made?

(b) Has no such offer yet been made?

(3) **Has** the company or its major shareholder committed any breach of the Companies Act.

(4) Has he taken any action in regard to this complaint?

Answer—

(1) Yes.

(2) (a) It is my understanding that the annual general meeting, of the 18th October, 1978, was adjourned to **allow** shareholders time to consider an offer that was to be made.

(b) A notice of intention to make an offer (a Part A Statement) **was** delivered to the directors of Esperance Bay Company Limited on the 16th November, 1978. A copy of that document was lodged with the Corporate Affairs Commission on the same day. In accordance with the provisions of the Companies Act the **offeror** company, Preferred Investments Limited, if it is to proceed with the offer, must do so by issuing an offer to the shareholders of Esperance Bay between fourteen and twenty-eight days after the Part A document was given to Esperance Bay.

(3) There has been no apparent breach of the take-over provisions of the Companies Act?

(4) The complaints received are being examined by the Corporate **Affairs** Commission.
